



UK Statistics  
Authority

# UK Statistics Authority

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ANNUAL REPORT AND ACCOUNTS 2012/13



# UK Statistics Authority

## ANNUAL REPORT AND ACCOUNTS 2012/13

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# Contents

|          |  |           |
|----------|--|-----------|
|          | <b>FOREWORD .....</b>  | <b>3</b>  |
| <b>1</b> | <b>CHAPTER 1: CHAIR'S REPORT AND ABOUT THE UK STATISTICS AUTHORITY .....</b> | <b>4</b>  |
|          | 1.1 CHAIR'S REPORT 2012/13 .....   | 4         |
|          | 1.2 ESTABLISHMENT AND STATUTORY FRAMEWORK .....                              | 9         |
|          | 1.3 STATUTORY OBJECTIVE .....  | 9         |
|          | 1.4 AIMS AND STRATEGIC PRIORITIES OF THE AUTHORITY .....                     | 9         |
|          | 1.5 FUNCTIONS .....  | 10        |
|          | 1.6 GOVERNANCE AND ORGANISATION .....  | 11        |
|          | 1.7 MEMBERSHIP OF THE AUTHORITY DURING 2012/13 .....                         | 12        |
|          | 1.8 COMMITTEES OF THE BOARD DURING 2012/13 .....                             | 14        |
|          | 1.9 SUPPORT TO THE BOARD OF THE UK STATISTICS AUTHORITY .....                | 16        |
|          | 1.10 PURPOSE AND STRUCTURE OF THIS REPORT .....                              | 16        |
|          | 1.11 ENGAGEMENT AND TRANSPARENCY .....                                       | 17        |
|          | 1.11 ANNEX A SECONDARY LEGISLATION (ORDERS AND REGULATIONS) .....            | 17        |
| <b>2</b> | <b>CHAPTER 2: MONITORING AND ASSESSMENT ANNUAL REPORT .....</b>              | <b>18</b> |
|          | 2.1 HEAD OF ASSESSMENT'S INTRODUCTION .....                                  | 18        |
|          | 2.2 ASSESSMENT .....   | 21        |
|          | 2.3 MONITORING .....   | 21        |
|          | 2.4 STATISTICAL EXPENDITURE .....  | 22        |
|          | 2.5 ISSUES LOG AND CASEWORK .....  | 23        |
|          | 2.6 MONITORING AND ASSESSMENT TEAM .....                                     | 23        |
|          | 2.7 THE AUTHORITY AND DEVOLVED STATISTICS .....                              | 24        |
| <b>3</b> | <b>CHAPTER 3: GOVERNMENT STATISTICAL SERVICE ANNUAL REPORT .....</b>         | <b>26</b> |
|          | 3.1 NATIONAL STATISTICIAN'S INTRODUCTION .....                               | 26        |
|          | 3.2 ABOUT THE GOVERNMENT STATISTICAL SERVICE .....                           | 28        |
|          | 3.3 PEOPLE .....   | 29        |
|          | 3.4 USERS .....  | 30        |
|          | 3.5 METHODS .....  | 32        |
|          | 3.6 IMPACT .....   | 33        |
|          | 3.7 COMMUNITY AND COLLABORATION .....  | 34        |
| <b>4</b> | <b>CHAPTER 4: OFFICE FOR NATIONAL STATISTICS ANNUAL REPORT .....</b>         | <b>36</b> |
|          | 4.1 DIRECTOR GENERAL'S INTRODUCTION – THE IMPORTANCE OF STATISTICS .....     | 36        |
|          | 4.2 ABOUT THE OFFICE FOR NATIONAL STATISTICS .....                           | 38        |
|          | 4.3 ONS FACTS AND FIGURES .....  | 40        |
|          | 4.4 OUR CUSTOMERS .....  | 42        |
|          | 4.5 OUR SUPPLIERS .....  | 43        |
|          | 4.6 THE YEAR IN FOCUS .....  | 44        |
|          | 4.7 OUR PEOPLE .....   | 47        |
|          | 4.8 LOOKING FORWARD .....  | 50        |

## 5

**CHAPTER 5: CORPORATE AND SUMMARY FINANCIAL INFORMATION ... 52**

|      |  |    |
|------|--|----|
| 5.1  | COMPARISON OF 2012/13 OUTTURN WITH THE 2012/13 ESTIMATE..... | 52 |
| 5.2  | CORE TABLES .....  | 53 |
| 5.3  | SPENDING REVIEW .....  | 56 |
| 5.4  | PROMPT PAYMENT TARGET .....                                  | 56 |
| 5.5  | FINANCIAL REPORTING TO PARLIAMENT.....                       | 56 |
| 5.6  | TRANSPARENCY .....   | 56 |
| 5.7  | CONTRACTUAL ARRANGEMENTS .....                               | 57 |
| 5.8  | SUSTAINABLE DEVELOPMENT AND REPORTING .....                  | 57 |
| 5.9  | STAFF INFORMATION .....                                      | 63 |
| 5.10 | CORPORATE AND SOCIAL RESPONSIBILITY .....                    | 64 |
| 5.11 | INFORMATION ASSURANCE.....                                   | 64 |
| 5.12 | DISCLOSURE OF INFORMATION TO THE AUDITORS .....              | 65 |

## 6

**CHAPTER 6: UK STATISTICS AUTHORITY ANNUAL ACCOUNTS ..... 66**

|     |  |           |
|-----|--|-----------|
|     | <b>STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES.....</b>   | <b>66</b> |
|     | <b>GOVERNANCE STATEMENT 2012/13 .....</b>  | <b>68</b> |
|     | <b>REMUNERATION REPORT .....</b>   | <b>76</b> |
|     | <b>THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR<br/>GENERAL TO THE HOUSE OF COMMONS .....</b> | <b>82</b> |
|     | <b>PRIMARY STATEMENTS TO THE ACCOUNTS .....</b>  | <b>84</b> |
| •   | STATEMENT OF PARLIAMENTARY SUPPLY .....  | 84        |
| •   | STATEMENT OF COMPREHENSIVE NET EXPENDITURE .....   | 85        |
| •   | STATEMENT OF FINANCIAL POSITION .....  | 86        |
| •   | STATEMENT OF CASH FLOWS .....  | 87        |
| •   | STATEMENT OF CHANGES IN TAXPAYERS' EQUITY .....  | 88        |
|     | <b>NOTES TO THE ACCOUNTS.....</b>  | <b>89</b> |
| 1.  | STATEMENT OF ACCOUNTING POLICIES AND ACCOUNTING CONVENTION ....  | 89        |
| 2.  | SEGMENTAL INFORMATION OF EXPENDITURE AND INCOME .....  | 97        |
| 3.  | ANALYSIS OF NET RESOURCE AND NET CAPITAL OUTTURN BY SECTION.....   | 98        |
| 4.  | RECONCILIATION OF NET RESOURCE OUTTURN TO NET CASH REQUIREMENT.....  | 99        |
| 5.  | STAFF NUMBERS AND RELATED COSTS .....  | 100       |
| 6.  | PROGRAMME COSTS .....  | 103       |
| 7.  | INCOME .....   | 104       |
| 8.  | PROPERTY, PLANT AND EQUIPMENT .....  | 105       |
| 9.  | INTANGIBLE FIXED ASSETS .....  | 106       |
| 10. | IMPAIRMENTS .....  | 110       |
| 11. | FINANCIAL INSTRUMENTS.....   | 111       |
| 12. | TRADE RECEIVABLES AND OTHER ASSETS.....  | 112       |
| 13. | CASH AND CASH EQUIVALENTS .....  | 114       |
| 14. | TRADE PAYABLES AND OTHER CURRENT LIABILITIES .....   | 115       |
| 15. | PROVISIONS FOR LIABILITIES AND CHARGES .....   | 116       |
| 16. | CAPITAL COMMITMENTS .....  | 118       |
| 17. | COMMITMENTS UNDER LEASES .....   | 119       |
| 18. | OTHER FINANCIAL COMMITMENTS .....  | 120       |
| 19. | CONTINGENT LIABILITIES.....  | 121       |
| 20. | SPECIAL PAYMENTS AND LOSSES .....  | 122       |
| 21. | RELATED PARTY TRANSACTIONS .....   | 123       |
| 22. | EVENTS ARISING AFTER THE REPORTING DATE .....  | 124       |
| 23. | DATE OF AUTHORISATION OF THE ACCOUNTS .....  | 125       |

# Foreword



**The UK Statistics Authority** is an independent body operating at arm's length from government as a non-ministerial department. It was established on 1 April 2008 by the *Statistics and Registration Service Act 2007* and reports directly to Parliament and the devolved legislatures.

The Authority's statutory objective is to promote and safeguard the production and publication of official statistics that serve the public good.



**The Government Statistical Service** (GSS) is headed by the National Statistician and is spread across more than 30 government departments, agencies and the devolved administrations. It includes statisticians and others providing high quality information, analysis and advice to decision makers. Around 1,700 staff are members of the Government Statisticians Group, the professional community of statisticians within government.



**The Office for National Statistics** (ONS) is the executive office of the UK Statistics Authority and is the UK's single largest statistical producer. It is also the internationally recognised National Statistical Institute of the UK.



Sir Andrew Dilnot CBE

# Chapter 1

## Chair's Report and About the UK Statistics Authority

### 1.1 CHAIR'S REPORT 2012/13

This is the fifth Annual Report of the UK Statistics Authority since it was established on 1 April 2008 by the *Statistics and Registration Service Act 2007*.

#### Strategic objectives

In my foreword to last year's Annual Report I wrote of my intention to be both a guardian and a champion of official statistics and, in my first year as Chair, the Authority has continued to promote and safeguard official statistics for the public good as the 2007 Act requires. We have done so by providing a strong voice where statistics have been misused; carrying out a range of monitoring work; finishing the first phase of statutory Assessment of all sets of National Statistics; overseeing the work of the Office for National Statistics (ONS); and working in partnership with Parliament, the Royal Statistical Society (RSS) and others to create a sense of the significance of official statistics.

The importance of this work cannot be overstated; almost all of our decisions are, in one way or another, based on statistics, and the statistics produced by government are vital in helping us understand the world around us. In this context, it is vital that the statistical service produces statistics which are respected and seen to be trustworthy.



Official statistics are for the benefit of society and the economy generally; not just in the formulation and monitoring of government policy but also through assisting in the direction of economic and commercial activities, in providing valuable information for analysts, researchers, public and voluntary bodies, in enabling the public to hold elected representatives to account, and in informing wider public debate.

Since April 2008, the Statistics Authority has therefore aimed to ensure that the right range of statistics is produced, high and consistent professional standards are maintained in the statistical service, and official statistics are well explained to users, leading to better decision-making in the public interest. This requires close working with users of statistics, horizon-scanning to anticipate new user needs, and opening up statistics to new users. In this way, the Authority seeks to understand and meet the expectations of Parliament and the public.

The Authority aims to enhance trust in the statistical system in terms of quality and impartiality. A system that works transparently with users, independent of politics and politicians, and with clarity in its objectives, is a prerequisite for the production of trustworthy statistics. In short, the UK statistical system must demonstrate high standards in respect of five principal aspects – quality, impact, efficiency, coverage, and trustworthiness – and these form the strategic priorities set out in our Statement of Strategy which we published in February 2013.

## **Assessment**

This year saw the Authority completing the first phase of statutory Assessment of all sets of National Statistics. This was a considerable programme of work which began with the introduction of the Code of Practice for Official Statistics in January 2009. The *Statistics and Registration Service Act* requires the Authority to assess independently all sets of official statistics bearing the National Statistics designation against the Code of Practice, and over a period of three years the Authority has published 240 reports covering over 1,000 sets of statistics, setting out requirements for greater Code-compliance and suggestions for further development.

We expect our assessment work to be seen to have driven significant improvements right across the statistical service, in the statistical products themselves, providing for better research into, and understanding of, the use made of statistics, improving the dialogue between statisticians and users, and in improving the quality and accessibility of statistical products. Assessment has also allowed the Authority to gather evidence of the need for further change and has allowed us to document – more clearly than we have ever previously seen – the characteristics of the UK statistical system.

In January 2013, the Authority Board announced that it had accepted the National Statistician's recommendation to produce a new measure of inflation (to be known as RPI-J), while continuing to produce the established Retail Prices Index (RPI) as it is currently constructed. RPI-J is constructed in ways that meet best international standards whereas RPI was judged not to. Because of this, the Authority removed the designation of the RPI as a National Statistic following a statutory re-assessment, confirming the findings of the National Statistician that RPI's formulation fails to meet international standards. The RPI will continue to be compiled, maintained and published by ONS on a consistent, monthly basis in line with statute because we accept there is a significant

value to users in maintaining the continuity of the RPI's long time series without major change so that it may continue to be used for various purposes in accordance with established user expectations.

## **Monitoring**

Our Assessment work has afforded the Statistics Authority a unique view of some of the cross-cutting statistical issues which the Authority should address through our monitoring programme. During this year we published a number of Monitoring Review reports including a report on statistics about the Department for Work and Pensions (DWP) Work Programme, projections and forecasts as official statistics, accessibility of official statistics on health, and official statistics and the voluntary sector. Our programme of monitoring work is regularly updated, and over the next year we will prepare reports on a range of topics which we expect to be of wide interest to the user community, for example on the comparability and quality of statistics from the four UK administrations, the robustness of the ONS International Passenger Survey in producing estimates of international migration, the role of government statisticians in meeting user needs, statistics on school-level examination results, the use of official statistics by the financial services sector, the adequacy of official statistics in areas of public administration covered by payment-by-results regimes, and the presentation of statistics relating to government targets.

I have also been required occasionally to comment publicly on the misuse of statistics. Where official statistics have been used in such a way as to mislead public debate, leaked before publication, or where the advice of a government statistician has been ignored, the Authority will continue to intervene in the interest of preserving trust and safeguarding the integrity of official statistics, to highlight breaches of pre-release access, to correct the misrepresentation of official statistics, and to improve the handling of the release of ad-hoc statistics. I am confident that as a result, producers have made improvements in the way that they communicate and disseminate official statistics and those using official statistics think more carefully about how they present and speak about them.

## **Oversight of ONS**

Under the 2007 Act, the Authority also operates as the governing body for the Office for National Statistics. This year, ONS finalised its own strategy for the next ten years. The strategy sets out a vision for ONS and identifies strategic objectives that will assist it in achieving that vision. The Authority welcomes the development of the ONS strategy. In a time of rapidly changing user requirements and financial pressures, the strategy will assist ONS in ensuring it can continue to deliver high quality statistics and analysis to users.

The 2011 Census was the largest statistical operation ever undertaken in the United Kingdom, and over the past year we have continued to see the results of the Census released to great interest. One aspect that has been particularly exciting to see has been the release of Census data in new, innovative and interactive formats, which have been received by members of the public and the media with great enthusiasm.

In 2010, the Authority asked ONS to consider how the UK might continue to count the UK population without necessarily undertaking a traditional census. A great deal of what we are calling 'Beyond 2011' work has been underway over the course of the past year, which has aimed at identifying user requirements and assessing the best way to meet these needs. ONS is developing a 'shortlist' of options which will be put to public consultation this summer.

Many of the alternatives to traditional census-taking will be dependent on the extent to which ONS can improve access to, and make use of, administrative data. ONS is considering how to make better use of administrative data for statistical purposes so as to improve the quality and range of statistics produced. The Authority welcomes various developments in this area and we are aware of the need to balance further sharing of administrative data for statistical purposes with privacy concerns and to provide assurance and ensure appropriate safeguards are in place to maintain public confidence in our official statistics.

Responsibility for the collation and publication of crime statistics was transferred to the ONS on 1 April 2012 with the aim of demonstrating the independence of the statistics, better informing policy and decision making, and allowing the public to assess more clearly the risk of crime. We have been pleased to see a number of developments during this first year, including the introduction of four standardised quarterly statistical bulletins each year incorporating a variety of crime related data from other sources alongside data from the Crime Survey for England and Wales. This helps to give users a much clearer understanding of the overall statistical picture of crime. The crime statistics team in ONS has also produced a number of one-off topical reports and has collaborated with Home Office and Ministry of Justice statisticians to produce reports on offending in England and Wales presenting statistics from across the criminal justice system.

### **Good Practice**

A Good Practice Team (GPT) was also established in October 2012, initially as a six-month pilot project, and now on a permanent footing. The focus of the GPT is on driving improvements to statistical commentary and user engagement, and identifying and promoting good practice across the statistical service. In the initial phase the team worked with 10 departments, and helped them to make improvements to 15 statistical releases. It has also taken forward a variety of other initiatives, including training, peer review and seminars, and co-organised a successful event on the use of statistics in the voluntary sector. The team has convened a group of assistant statisticians and statistical officers in a peer review exercise to obtain feedback on 17 releases, which the team has used to develop plans for future development work. The team is also working with departments to improve their engagement with users, including helping to facilitate the setting-up of user groups.

### **User engagement**

User engagement remains one of our top priorities. The Authority has continued to fund the post of User Engagement Programme Manager to support the work of the RSS's Statistics User Theme. The main focus of this post has been on supporting the development and launch of *StatsUserNet*, an interactive website designed to promote

and facilitate communication between users and producers of official statistics. Following a successful launch in early 2012, the site now has over 1,500 members, is home to 18 topic-based 'statistical communities', and has facilitated debate on a number of high profile topics that are of interest to the user and producer community alike. The post has also allowed strategic issues for the Government Statistical Service to be more readily identified and addressed through the Statistics Suppliers and Users Group. Guidance on good practice in user engagement has been produced in collaboration with the National Statistician's Office. The post has also supported various events, notably a recent conference on adult social care policy.

## Parliament

The Authority continues to place the upmost importance on its relationship with Parliament. The Authority has particularly valued Parliament's interest in its work over the course of the last year, as the Public Administration Select Committee (PASC) began its ten-part inquiry into statistics. Since the inquiries began, the Authority has welcomed the opportunity to report to the Committee on key issues for the statistical service, including the operation of the *Statistics and Registration Service Act*, the work of ONS, the communication and publication of statistics, and migration statistics. These inquiries have been useful for us to hear the perspectives of users, partners and the Committee itself regarding these important issues. I have also greatly appreciated the support of the Chair and members of the Committee when it has been necessary for the Authority to make regulatory interventions about the misuse of official statistics.

We very much continue to share the view of PASC about pre-release access to official statistics in that the current pre-release arrangements undermine trust in official statistics. Pre-release access has the potential to cause real harm and bring the statistical system into disrepute, and the Authority wants to see both the length of access and the number of officials to whom access is granted significantly reduced. The National Statistician is leading a review to see what might be achieved here.

## Conclusion

In my first year at the Authority, I have valued enormously the advice and wide-ranging experience of my fellow Board members. Following the retirement of Stephen Penneck in September 2012, the Board welcomed Glen Watson as the new Director General of ONS. I have also been delighted to welcome our two new Deputy Chairs this year, Professor Sir Adrian Smith and Professor David Rhind, and also Dr David Levy as a Non-Executive member of the Authority. More recently the Board has welcomed Professor David Hand and Carolyn Fairbairn as non-executive members of the Authority Board. I am very much looking forward to working alongside them in the year ahead.



**Sir Andrew Dilnot CBE**  
**Chair, UK Statistics Authority**

28 June 2013

## 1.2 ESTABLISHMENT AND STATUTORY FRAMEWORK

The UK Statistics Authority was established under the *Statistics and Registration Service Act 2007* and on 1 April 2008 formally assumed its powers. The Authority is an independent statutory body. It operates at arm's length from government as a non-ministerial department and reports directly to the UK Parliament and the devolved legislatures.

The work of the Board is further defined under secondary legislation made under the Act by the UK Parliament or the devolved legislatures (**see Annex A**).

## 1.3 STATUTORY OBJECTIVE

The Authority has a statutory objective of promoting and safeguarding the production and publication of official statistics that 'serve the public good'.

Official statistics are for the benefit of society and the economy generally; not just in the formulation and monitoring of government policy but also through assisting the direction of economic and commercial activities, by providing valuable information for analysts, researchers, public and voluntary bodies, enabling the public to hold to account all organisations that spend public money, and informing wider public debate. The Authority seeks to promote and safeguard official statistics so that they inform and enrich society.

## 1.4 AIMS AND STRATEGIC PRIORITIES OF THE AUTHORITY

From its inception the Authority has aimed to ensure that: the right range of statistics is produced, high and consistent professional standards are maintained, and official statistics are well explained, leading to better decision-making in the public interest. This requires close working with users of statistics, horizon-scanning to anticipate new user needs, and opening up statistics to new users. In this way, the Authority seeks to understand and meet the expectations of Parliament and the public.

The Authority aims to enhance trust in the statistical system in terms of quality and impartiality. A system that works transparently with users, independently of politics and politicians and with clarity in its objectives is a prerequisite for the production of trustworthy statistics. In short, the UK statistical system must demonstrate high standards in respect of five principal aspects: quality; impact; efficiency; coverage; and trustworthiness. These five aspects have been further defined and, together with the Authority's related strategic priorities for the three years to 31 March 2016, are contained in the Authority's Statement of Strategy of 14 February 2013 and summarised in the table below.

| <b>Quality</b>   |   |
|--|---|
| Macroeconomic statistics.  | <i>Review the governance and future development of inflation statistics in 2013. Review of economic statistics to ensure they best meet future needs.</i>       |
| Build capability at ONS.   | <i>Focus on: use of administrative data; data collection; economic statistics; and dissemination.</i>   |
| Scrutinise official statistics.  | <i>Assess Code compliance and investigate and report on concerns.</i>   |
| <b>Impact</b>  |   |
| More emphasis on explanation compared with data collection.                                    | <i>Ensure these priorities are reflected in the 2013 ONS Business Plan and the strategy for the GSS.</i>  |
| Increase the impact of statisticians in their departments.                                     | <i>Support and champion the role of departmental statisticians in communicating and advising.</i>   |
| ONS website meets user needs; ONS is an exemplar in communication and explanation.             | <i>Oversee delivery of enhanced ONS website capability and content supporting greater use and understanding of statistics.</i>                                  |
| <b>Efficiency</b>  |   |
| Value for money and good stewardship of resources.   | <i>Deliver year on year efficiency gains; oversee strong financial management across the Authority.</i>   |
| Explain the value of statistics in the context of scarce resources.                            | <i>Make the case for funds needed to maintain and develop the nation's statistical infrastructure.</i>  |
| Support the application of open data principles to official statistics.                        | <i>Support the National Statistician in achieving a step-change in data sharing for statistical purposes and in making data available for re-use by others.</i> |
| <b>Coverage</b>  |   |
| Provide leadership and vision for the UK official statistics system.                           | <i>Lead a public debate in 2013 on official statistics and the statistical infrastructure the nation needs.</i>   |
| Explore alternatives to the traditional Census of population.                                  | <i>National Statistician to publicly consult in 2013.</i>   |
| Lower priority work stopped so higher priority needs can be met.                               | <i>To be reflected in the 2013 ONS Business Plan, and promoted in respect of other producers.</i>   |
| <b>Trustworthiness</b>   |   |
| Continue to argue against pre-release access, publicise its extent and seek to reduce it.      | <i>Oversee the National Statistician's drive in 2013 to reduce pre-release access to the fullest extent possible under the law.</i>                             |
| Investigate and report on matters of statistical controversy.                                  | <i>Continue to give priority to investigating significant concerns and reporting to Parliament.</i>   |
| Further develop the crucial role that official statistics have in informing democratic debate. | <i>Consider how official statistics can better support democratic debate. Measure confidence in official statistics and report publicly in 2014.</i>            |

This strategy covers a rolling three year period and will be subject to annual review. The Authority will report progress against achieving its strategic priorities each year in its Annual Report to the UK Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly.

## 1.5 FUNCTIONS

The Authority's functions relate to its statutory areas of responsibility:

- oversight of the UK official statistics system, which includes around 30 central government departments and the devolved administrations, and the promotion,

safeguarding and monitoring of quality, comprehensiveness and good practice in relation to all official statistics, wherever produced;

- production of a *Code of Practice for Statistics* and assessment of official statistics against the Code; and
- governance of the Office for National Statistics (ONS) the UK's National Statistical Institute and the largest producer of official statistics.

## 1.6 GOVERNANCE AND ORGANISATION

In accordance with the 2007 Act, the Board of the Authority is comprised of a majority of non-executive directors (including a Chair) appointed through open competition, and three executive members. The membership of the Authority during 2012/13 is given at 1.7 below.

Pursuit of the Authority's aims requires separation of functions as consistent with the legislation. In particular, that those involved in the production of statistics are not involved in the statutory Assessment of those statistics against the Authority's Code of Practice.

Two non-executive members of the Authority are appointed as Deputy Chairs, one with responsibility for governance of the ONS as Chair of the Authority's ONS Board, a sub-committee of the Authority Board; and the second with responsibility for oversight of the wider statistical system as Chair of the Authority's Committee for Official Statistics and also statutory Assessment as Chair of the Authority's Assessment Committee. The committee to consider Assessment matters meets in the absence of statistical producers, consistent with the statutory requirement for the separation of statistical production and assessment.

In addressing any particular matter of strategic importance, these various parts of the Authority will have differing roles depending on the issue. It is a primary task of the Authority Board to make sure that the work falling to each part is co-ordinated while respecting and ensuring the separation of functions. The Authority has different powers to pursue its strategic aims in the different parts of the statistical system. For example, while the Authority has direct control in shaping ONS, its powers in respect of statistics produced in other government departments are limited to influencing and publicly reporting and commenting when appropriate.

## 1.7 MEMBERSHIP OF THE AUTHORITY DURING 2012/13

The Chair of the Authority, Sir Andrew Dilnot CBE was appointed by HM The Queen following an open competition and subject to a pre-appointment hearing by the Public Administration Select Committee and a formal debate on the floor of the House of Commons. Sir Andrew took up his post on 1 April 2012 and his term of appointment will end on 31 March 2017.

As at 31 March 2013 the other non-executive members of the Authority, who were all appointed through open competition, were:

Professor David Rhind CBE FRS FBA – Deputy Chair of the Authority with responsibility for oversight of the statistical system (from 1 July 2012);

Professor Sir Adrian Smith FRS – Deputy Chair of the Authority with responsibility for the governance of ONS (from 1 September 2012);

Dr Colette Bowe;

Mr Partha Dasgupta;

Dame Moira Gibb DBE; and

Dr David Levy (from 1 August 2012).

Other non-executive members of the Authority during 2012/13 were:

Lord David Rowe-Beddoe of Kilgetty – Deputy Chair of the Authority with responsibility for the governance of ONS (to 31 August 2012); and

Sir John Shortridge (to 31 October 2012).

The Authority's three executive members as at 31 March 2013 were as follows.

Ms Jil Matheson – National Statistician. The National Statistician is a Crown appointment and a member of the Authority under the provisions of the 2007 Act.

Mr Richard Alldritt – Head of Assessment. The Head of Assessment is a statutory appointment under the provisions of the 2007 Act and was appointed a member of the Authority by the non-executive members.

Mr Glen Watson – Director General of ONS (from October 2012). Mr Watson was also appointed a member of the Authority by the non-executive members.

Mr Stephen Penneck, the former Director General of ONS was an executive member of the Authority to September 2012.

In addition, Ms Carolyn Fairbairn and Professor David Hand OBE FBA were appointed by the Minister for the Cabinet Office as non-executive members of the Authority from 1 April 2013.



# MEMBERS OF THE UK STATISTICS AUTHORITY AS AT 31 MARCH 2013

## Chair



Sir Andrew Dilnot  
CBE

## Deputy Chairs



Professor David  
Rhind CBE FRS FBA



Professor Sir Adrian  
Smith FRS

## Non-Executive Members



Dr Colette Bowe



Mr Partha Dasgupta



Dame Moira Gibb  
DBE



Dr David Levy

## Executive Members



Ms Jil Matheson



Mr Richard Alldritt



Mr Glen Watson

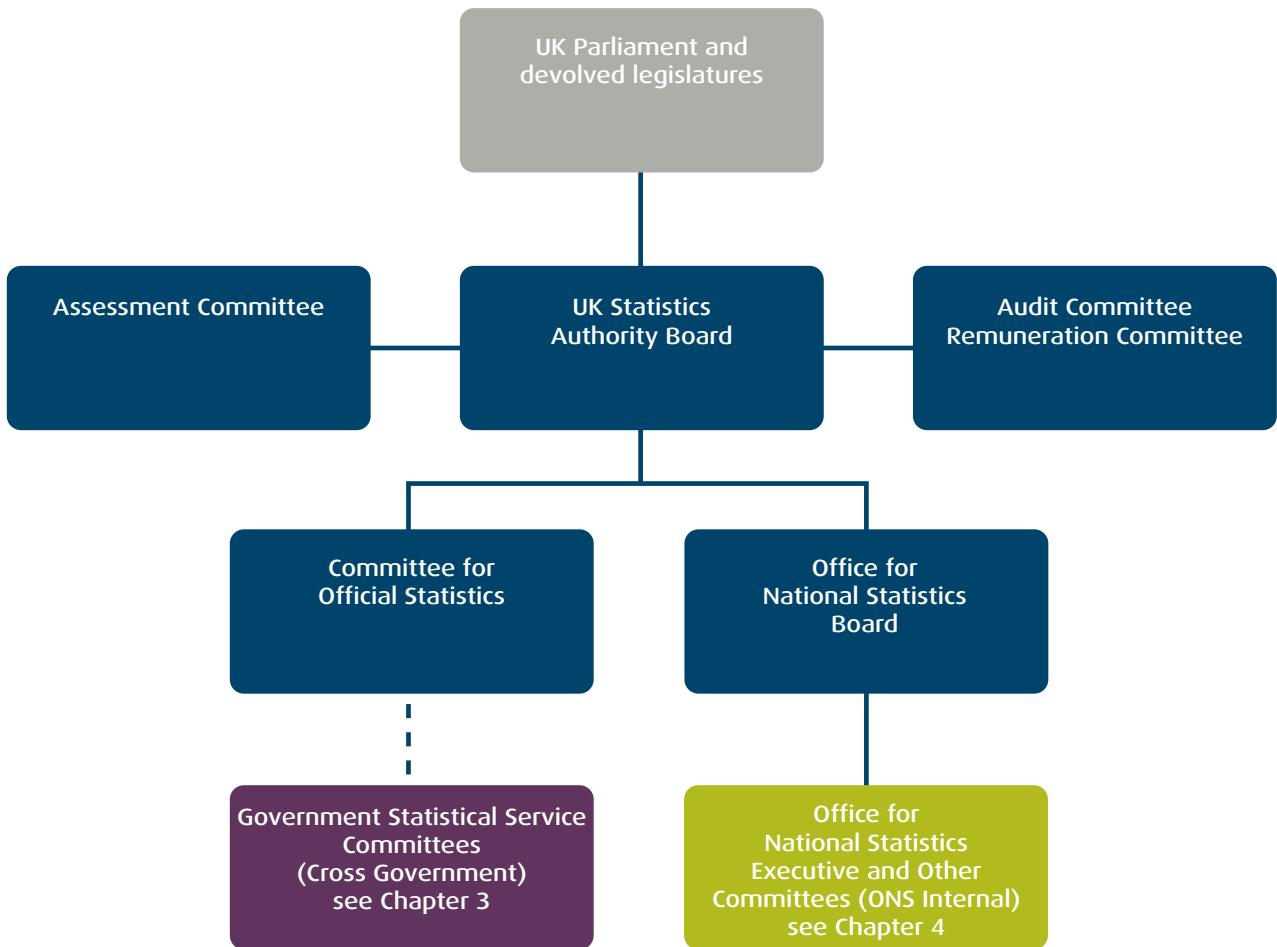
## 1.8 COMMITTEES OF THE BOARD DURING 2012/13

During 2012/13 the five sub-committees which supported the Authority Board in its work, and which reported to it, were as follows.

- The ONS Board was chaired by Lord Rowe-Beddoe until 31 August 2012 and by Professor Sir Adrian Smith from 1 September 2012. The ONS Board oversees the strategy and priorities of ONS and monitors the ONS budget and work programme. During 2012/13 it met on 11 occasions.
- The Committee for Official Statistics was chaired by the Authority Chair until 30 June 2012 and by Professor Rhind from 1 July 2012. The Committee provides strategic oversight of the UK official statistics system, including its scope and capacity and the extent to which it meet the full range of user needs. During the year it met on six occasions.
- The Assessment Committee was chaired by the Authority Chair until 30 June 2012 and by Professor Rhind from 1 July 2012. Its purpose is to oversee the programme of Assessment of sets of official statistics against the Code of Practice and, other work related to Assessment and scrutiny. The Committee met eight times during 2012/13.
- The Audit Committee was chaired by Professor Rhind until 30 June 2012 and by Mr Dasgupta from 1 July 2012. The Committee's remit concerns risk management, control and governance in the Authority. It met five times during 2012/13.
- The Remuneration Committee was chaired by Lord Rowe-Beddoe. It met on two occasions during 2012/13 to determine 2011/12 performance bonuses for the members of the Senior Civil Service (SCS) employed by the Authority.

The diagram below shows these committees and how they relate to the organisational structures of the ONS and the GSS.

## UK Statistics Authority Organisation Structure



## **1.9 SUPPORT TO THE BOARD OF THE UK STATISTICS AUTHORITY**

The Authority is supported by a small headquarters staff that has two main areas of responsibility:

- monitoring and assessment of official statistics led by the Head of Assessment – the functions and activities here are further discussed in Chapter 2 of this report; and
- provision of secretariat and support functions to the Chair and members of the Authority, its Board and committees – the Head of Secretariat may report directly to the Chair in the exercise of these functions.

The main responsibilities of the Secretariat are to manage the business of the Authority Board and its committees; to manage the Authority's public face including its website, media relations and other communications activities; public enquiry facilities; programme of events; to coordinate and manage its casework and formal correspondence; to assist the Board in the development and implementation of its policies and strategy; and to provide other support and advice to the Chair and other Authority members as required.

## **1.10 PURPOSE AND STRUCTURE OF THIS REPORT**

The Authority attaches particular importance to its direct reporting and overall accountability to the UK Parliament and devolved legislatures. The 2007 Act requires that the Authority produces a report annually to Parliament and the devolved legislatures on what it has done during the year, what it has found during the year and what it intends to do during the next financial year. This Annual Report fulfils that responsibility.

The report is divided into the following chapters.

- Chapter 2 is the Monitoring and Assessment annual report. It begins with a foreword by the Head of Assessment, Richard Alldritt, who leads the programme of Assessments on behalf of the Authority.
- Chapter 3 reports on the work being carried out by statisticians across the Government Statistical Service (GSS). It begins with a foreword by the National Statistician, Jil Matheson in her capacity as Head of the GSS.
- Chapter 4 reports on the work of the ONS, the country's National Statistical Institute and single largest producer of official statistics. It begins with a foreword by Glen Watson, Director General of ONS.
- Chapter 5 contains corporate and summary financial information prescribed by HM Treasury for inclusion with departmental accounts.
- Chapter 6 provides the Authority's financial statements for the year ended 31 March 2013.

## 1.11 ENGAGEMENT AND TRANSPARENCY

The Authority's website, telephone and email enquiry services are at the forefront of the Authority's public 'face'. The Authority continues to engage with the statistical user community, in particular the Royal Statistical Society (RSS), Statistics User Forum (SUF) and groups of statistical users.

The Authority has a central email enquiry point, [authority.enquiries@statistics.gov.uk](mailto:authority.enquiries@statistics.gov.uk). Enquiry handling is managed by the Secretariat. There is also a central telephone enquiry line 0845 604 1857.

The Authority operates transparently and openly. It publishes the minutes and papers of its meetings on its website, correspondence regarding issues of public concern and information about other aspects of its work. During the year, the Authority made various developments to its website, [www.statisticsauthority.gov.uk](http://www.statisticsauthority.gov.uk), designed to enhance further the user experience. The Secretariat welcomes feedback on the Authority's website.

During the year the Secretariat has continued to maintain an issues log which is routinely updated and published on the Authority website. The issues log lists those issues raised with the Authority. It is one important mechanism by which the Authority decides on how to respond to issues of public concern and determine its forward work programme.

The Authority received two complaints about its services during 2012/13, neither of which was upheld.

## ANNEX A SECONDARY LEGISLATION (ORDERS AND REGULATIONS)

- i. *Pre-Release Access to Official Statistics Order 2008;*
- ii. *Official Statistics Order 2008;*
- iii. *Official Statistics Order 2009;*
- iv. *Statistics and Registration Service Act 2007 (Disclosure of Higher Education Student Information) Regulations 2009;*
- v. *Statistics and Registration Service Act 2007 (Disclosure of Pupil Information) Regulations 2009;*
- vi. *Official Statistics Order 2010;*
- vii. *Official Statistics Order 2013;*
- viii. *Pre-Release Access to Official Statistics (Scotland) Order 2008;*
- ix. *Official Statistics (Scotland) Order 2008;*
- x. *Pre-Release Access to Official Statistics (Northern Ireland) Order 2009,*
- xi. *Pre-Release Access to Official Statistics (Wales) Order 2009;and*
- xii. *Official Statistics (Wales) Order 2013*



Mr Richard Alldritt

# Chapter 2

## Monitoring and Assessment Annual Report

### 2.1 HEAD OF ASSESSMENT'S INTRODUCTION

The legislation under which the Authority was established in 2008 requires that we should assess all existing National Statistics against the standards set out in the *Code of Practice for Official Statistics*. In summer 2012 we completed the initial major programme of reviews, covering some 1,100 sets of statistics, reviewed in 240 assessment reports, all of which are available on the Authority's website. As far as we are aware this is the first time that all the main official statistics of a national statistical system have been independently and systematically assessed anywhere in the world.

A summary report *The Assessment of UK Official Statistics 2009-2012* was published in August 2012. It noted that the results of this work had set the statistical service in all four administrations of the UK, and the Authority itself, on a path of continuous improvement and development, with a special focus on helping the user of statistics to find, understand and get the most out of the great wealth of information that is official statistics.

Few of the 240 assessment reports gave a completely clean bill of health to the statistics under review, and many required several changes to current practice. At the same time, perhaps the most telling findings were that in the vast majority of cases, and once

the requirements had been addressed, the statistics were being produced as well as they reasonably could be, bearing in mind the sources of data and resources available. It was also evident that the professional culture of the statistical service, supported by the Code of Practice, was effective in preventing inappropriate interference in the production or publication of statistics.

Thus, viewed in the round, the assessment process has consistently demonstrated that the UK statistical service has many strengths. In most cases, the statistics are presented impartially and objectively, in environments characterised by integrity and professionalism; the methods used are appropriate; confidentiality is protected; burdens on data suppliers are contained; and resources are used sensibly.

However, the report also concluded that the statistical service has been substantially shaped by the requirements of central government rather than a balanced appraisal of all the ways that statistics can contribute to society. Developing a statistical service that maximises the public benefit more generally – including supporting the use of statistics by public service providers, business, the voluntary sector, the media, researchers and the general public – continues to require substantial and sustained work. The Authority has concluded that the key to maximising the good that the statistics can do is a better understanding and explanation of the use that can be made of them, coupled with clear communication of their strengths and limitations in relation to those uses.

Aspects that continue to require improvement include:

- the explanation and contextualisation that accompany the publication of official statistics;
- the understanding and communication of the use made of the statistics;
- the published information on sources and methods, which is often incomplete;
- the exploitation for statistical purposes of administrative data systems (records of various kinds) already in existence in government; and
- the comparability of statistics for the four UK administrations.

As well as maintaining the assessment process, we have continued to develop the Authority's broader role in monitoring the production, management and use in public debate of official statistics, and reporting to Parliament on these matters. This work leads to published letters and to 'Monitoring Reviews' that can look at any aspect of the production or public use of official statistics.

Whilst commenting on the use and mis-use of statistics in public debate is only a small part of our work, it attracts a lot of attention from the news media. This may give a slightly unbalanced public impression of our role. Most of our work is focused on helping government statisticians to support the user of statistics to find, understand and use those statistics. However, the more high profile interventions about mis-use do serve to remind the many organisations that produce official statistics that we expect high standards, not just of the statisticians, but also of all who use official statistics to influence public policy.

We believe that the processes of Monitoring and Assessment have enhanced the international reputation of UK official statistics and have also enhanced the service to users of those statistics. The importance of this role was underlined by a report of the

Public Administration Select Committee *Public Trust in Government: Statistics. A review of the operation of the Statistics and Registration Service Act 2007* which was published in February 2013.

A handwritten signature in black ink, appearing to read 'R. Alldritt', with a stylized flourish at the end.

**Richard Alldritt**

**Head of Assessment**

UK Statistics Authority

28 June 2013



## 2.2 ASSESSMENT

The assessment of official statistics against a Code of Practice is a statutory requirement of the *Statistics and Registration Service Act 2007*. 2012/13 saw the publication of 56 Assessment Reports, including those that marked the end of the first cycle of assessment.

The Authority's final report on the first cycle drew together the findings and main messages, and identified general areas for attention across the Government Statistical Service (GSS). These are listed in the previous section.

All Assessment Reports are available on the Authority's website at:  
[www.statisticsauthority.gov.uk/assessment/assessment-reports](http://www.statisticsauthority.gov.uk/assessment/assessment-reports)

The Authority has developed plans for the future of assessment. In future, the coverage of the assessment programme will be more varied and flexible than was feasible in the first programme, and more responsive to considerations of risk and to the concerns of users of statistics. For example, some assessments will focus on aspects of the statistical work that are considered to have changed since the first assessment, and some could focus on assessing compliance with specific parts of the Code – either for a specific set of statistics or across a wide range of statistics.

The programme for assessment during 2013 is available on the Authority's website at:  
[www.statisticsauthority.gov.uk/assessment/assessment/programme-of-assessment/index.html](http://www.statisticsauthority.gov.uk/assessment/assessment/programme-of-assessment/index.html)

## 2.3 MONITORING

As part of its scrutiny role, the Authority has a statutory duty to monitor the production of official statistics and report on any concerns it has about quality, good practice or comprehensiveness. Monitoring provides a means of establishing, and publicly reporting, the Authority's views on any matter of concern.

The Authority has developed a programme of Monitoring Reviews (formerly called Monitoring Briefs) in response to specific issues of concern. They have helped raise public awareness, emphasise the Authority's independent perspective, and identify steps that might be taken by bodies that produce official statistics to enhance the statistical service. The Authority published five Monitoring Reviews in 2012/13.

### **Official Statistics and the Voluntary Sector**

This Monitoring Review explored how the voluntary sector uses official statistics, and how it engages with bodies that produce them. The Review was the stimulus for an open meeting at the Royal Statistical Society in January 2013, arranged and chaired by Authority staff, which brought together government statisticians and voluntary sector researchers to further articulate statistical needs.

### **Public Availability of Official Statistics – Three ONS Datasets**

This Review explored the public availability of the low level data used in the production of some of ONS's statistics. In addressing availability, we looked at the range of data that are published, and the formats in which they are published. The review was

undertaken in response to concerns raised with the Authority about whether ONS is currently able to comply fully with some elements of the Code of Practice for Official Statistics, and the Government's Open Data policy.

### **Accessibility of Official Statistics on Health**

This Review looked at the accessibility of health statistics – in particular how practicable it is to:

- identify the statistics relevant to an issue or decision;
- locate them;
- access useful information about the quality of the statistics; and
- understand the coherence and completeness of the picture that emerges.

We also looked at whether the dialogue between the many bodies that produce health statistics and the people who use them is effective in ensuring that any weaknesses are recognised and addressed.

The Review was the stimulus for an open meeting at the Royal Statistical Society in March 2013, arranged and chaired by Authority staff, which brought together government statisticians, health researchers and practitioners to improve their understanding of the statistical implications of the re-organisation of the health system in England.

### **Interim Report on Statistics About Welfare to Work Schemes**

This monitoring review is an interim report pending publication of statistics on the performance of contractors in the Work Programme, which were published in autumn 2012. It explores concerns about the progress being made; whether the statistics will meet the needs of Parliament and the public; and whether more could be done to ensure full compliance with the Code of Practice for Official Statistics.

### **Projections and Forecasts as Official Statistics**

This Review considered whether official projections and forecasts are being treated consistently in terms of which should be regarded as official statistics, and how the Code of Practice for Official Statistics should be interpreted in this context.

### **Monitoring Review on progress with recommendations**

The Authority also published a second progress update, describing the ways in which its recommendations set out in a range of *Monitoring Reports* and *Monitoring Briefs* are being taken forward, and follows the *Monitoring Update* published in January 2012.

## **2.4 STATISTICAL EXPENDITURE**

To safeguard the coherence of the UK's decentralised and devolved statistical system, spending cuts and other changes should be carried out with a clear overview of the whole statistical system in mind. The Authority has proposed to Government that it should have a consultative role in relation to any significant changes to statistical expenditure or statistical outputs, in order to fulfil its statutory role to promote and safeguard the production and publication of official statistics that serve the public good. The Government has indicated that it is for each department to decide on how they manage their budgets.

In the absence of a formal consultative role, the Authority has continued its series of Statistical Expenditure Reports. These investigate the extent to which changes to departmental statistical work programmes impact on the UK's statistical infrastructure as a whole. In particular, they address questions about whether user needs have been fully considered and where adequate consultation may not have been carried out in the light of the possible effects on other departments or other statistical series; or on the rationale underpinning the proposals more generally.

In 2012/13, the Authority produced one Statistical Expenditure Report, on the Department for Communities and Local Government's (DCLG) decision to cease the publication of its statistics at the regional level; this was published on 23 April 2013 and sent to the relevant Minister with a covering letter from the Authority Chair.

## **2.5 ISSUES LOG AND CASEWORK**

The Authority maintains an Issues Log on its website. This log is a record of matters or concerns to which the Authority's attention has been drawn. Inclusion on the Log does not necessarily mean that the Authority shares the concern or is committed to further action. The purpose of maintaining the Log is to provide transparency about what is drawn to our attention. The Authority follows some of the issues up, and this can lead to an announcement or a position statement set out in correspondence or a Monitoring Review.

The most common types of issues raised with the Authority have fallen into the following broad categories:

- the clarity of the communication of official statistics;
- methodological/technical concerns about coverage and classification;
- the coherence of official statistics (including with non-official statistics);
- concerns about release practices;
- legal/quasi-legal issues, including relating to the Census, and to disclosure; and
- gaps in official statistics.

## **2.6 MONITORING AND ASSESSMENT TEAM**

The Monitoring and Assessment (M&A) team is now well established across its three sites – London, Edinburgh, and Newport. The team has 20 full-time equivalent staff members from a range of analytic backgrounds; including statistics, social research, and economics. The team meets regularly in order to share its understanding of the application of the Code in Assessments, and to ensure coherence.

In 2012/13 a 'Good Practice Team' (GPT), drawing on individuals from M&A and from the National Statistician's Office, was established to provide hands-on support to the Government Statistical Service. It has focused on improving the commentary in statistical releases, and on strengthening engagement between producers and users. The Authority is currently reviewing the work of the GPT to determine how its resource might be used most effectively in future.

The Authority, with the Royal Statistical Society (RSS) and the Economic and Social Research Council, jointly funds the Statistics User Forum (SUF). SUF is an umbrella organisation for user groups and other interested bodies. It aims to be the authoritative voice for users of UK official statistics, working in partnership with the devolved administrations and their own user communities.

The Authority has seconded a member of staff to SUF since September 2009, to: support the development of StatsUserNet – an innovative web-based forum to strengthen links between users, and between users and producers, of official statistics; to take forward the RSS Statistics User Theme business planning; and work with user groups bilaterally to help them build and sustain direct engagement with relevant producers.

## **2.7 THE AUTHORITY AND DEVOLVED STATISTICS**

The Authority's remit, as established by the Statistics and Registration Service Act 2007, applies to official statistics across the UK. The Authority is therefore accountable to: UK Parliament; Scottish Parliament; National Assembly for Wales; and Northern Ireland Assembly.

Over a third of Assessment Reports published by the Authority cover devolved statistics. The main themes to have emerged from the Assessment Programme apply equally to devolved statistics. These include the need to improve the text that accompanies the first release of official statistics; the need to better understand and communicate the use made of official statistics; and the need to improve comparability between some statistics produced by the four administrations of the UK. During 2012/13, the Authority continued to engage with users and producers of devolved statistics to promote a good understanding of the role of the Authority and to communicate the emerging findings from assessment.





Ms Jil Matheson

# Chapter 3

## Government Statistical Service Annual Report

### 3.1 NATIONAL STATISTICIAN'S INTRODUCTION

In September 2012 I was reappointed as National Statistician and I am proud to continue to lead the Government Statistical Service (GSS). Working with people who are passionate about producing official statistics is a great honour and I am continually impressed at the commitment colleagues around the GSS show. The quality of statistics continues to be a priority; this is especially so now given the continuing fiscal constraints the country is experiencing and the important decisions being made, for which statistics are essential.

A new Chair of the UK Statistics Authority and a new Director General of the Office for National Statistics (ONS) were appointed in 2012 and it has been a pleasure working closely with Sir Andrew Dilnot and Glen Watson. The Authority, ONS and the GSS have all published strategy documents which are closely aligned and which will help shape the UK's statistical landscape in the years to come. Much has been done already and many departments have escalated their efforts to engage with users and improve presentation in statistical releases. However producers will need to do a lot more if the strategy is to be successful.

During 2012/13 colleagues within the GSS also embraced the opportunities presented by the Government's 'open data' agenda. Many departments have started to 'open

up' data, although this will be an on-going challenge especially where there may be concerns about confidentiality. A data strategy is currently being developed for the GSS and this will focus on how accessibility to data can be increased, unlocking its potential, whilst preserving confidentiality.

Increasing the skills of statisticians within the GSS remains one of my priorities and I will be working with statistical Heads of Profession and Chief Statisticians to improve standards. The Civil Service Capabilities Plan will direct much of our efforts and I expect to see improvements in capability across the GSS.

Over the last 12 months I attended and spoke at a number of international events including the United Nations Statistical Commission (UNSC), and the United Nation's Economic Commission for Europe (UNECE). Working with colleagues across the globe who are all experiencing similar challenges to the GSS has clear benefits in terms of ensuring that statistical planning and prioritisation is joined up, and that best practice permeates the global statistical system.

Finally there have been several Public Administration Select Committees (PASC) studies into statistics and their use this year. The Chair of the Authority has reflected on the value of these in his chapter of this report but needless to say, they go some of the way to ensuring that the general public can have confidence in official statistics.

I am looking forward to working with my colleagues in the GSS next year and with the many organisations and individuals who have an interest in the UK's official statistics. Continuing to innovate in how we do things, getting extra value from our data, and increasing the impact of statistics are some of the main challenges ahead however the opportunities these challenges present will ensure that the GSS provides a flexible, high quality statistical service for the next decade and beyond. Feedback on this report, or any aspect of our work, is always welcome.



**Jil Matheson**

**National Statistician and Head of the Government Statistical Service**

28 June 2013

## 3.2 ABOUT THE GOVERNMENT STATISTICAL SERVICE

The GSS is the UK's uncentralised statistical system which is led by the National Statistician who is the Government's and the Authority's principal adviser on official statistics. The National Statistician works closely with statistical Heads of Profession (HoPs), appointed in all of the main producer departments, and Chief Statisticians in the devolved administrations. HoPs and Chief Statisticians are responsible for;

- overseeing their own organisation's statistical functions;
- for meeting its statistical needs; and
- for implementing the provisions set out in the *Code of Practice for Official Statistics*.

HoPs are accountable to the National Statistician for the professional integrity and quality of the statistics produced by their departments.

The GSS strategy 'GSS 2020 – Building the Community' sets out the key priorities and outcomes across five areas: People; Users; Methods; Impact; and Community. The implementation plan for the strategy specifies priority work areas to be taken forward in 2013/14 to help deliver the strategy. These include:

- exploiting the potential of data by exploring new uses for administrative data, data sharing, and co-ordinating data collection;
- making data available in open formats so that users can better find, understand and re-use the data;
- using innovative dissemination techniques including the web and other digital media, to achieve the widest possible dissemination of official statistics; and
- engaging with the policy making process by advising on available evidence, options and techniques.

These and other tasks, including a renewed focus on quality, will ensure that official statistics remain relevant, continue to inform debate, help with decision making, and provide better value for money.



### 3.3 PEOPLE

The GSS has been in existence since 1968 and it is comprised of nearly 8,000 people spread across most government bodies.

The overall goal of the GSS is to be a collaborative community providing data, analysis and advice for the public good. There are approximately 1,700 professional statisticians in the GSS.

Recruitment of entry level statisticians for all departments in the GSS is conducted by the National Statistician's Office (NSO), ensuring consistency of approach and entry requirements. During 2012/13 the NSO has recruited 120 new statistical officers, who will help support the statistical system in the coming years.

The National Statistician provides professional leadership to all statisticians in the GSS and is responsible for ensuring that at all levels they have the skills needed now and in the future. To help this, a revised statistical competency framework was launched in 2012/13. This new framework aims to raise the professional standards of the GSS and improve consistency of approach to the professional statistical cadre; it includes updated skills such as web dissemination and statistical software knowledge. A new level relating to the Senior Civil Service pay band has also been included in the framework.

The Civil Service Capabilities Plan has implications for the competencies and standards for all those who work across government. The NSO and the GSS People Committee are leading on a programme of work which ensures that civil servants in the GSS have the skills and capabilities to meet future demands. This work programme aims to improve performance and capability by:

- encouraging members of the GSS to gain work experience with other types of organisations, and establish the means by which they can do this;
- promoting the achievements and contribution of the GSS;
- working with other analytic professions across the Civil Service; and
- developing career management policies and supporting processes.

## 3.4 USERS

### User engagement

The GSS Strategy identifies 'engaged users' as an essential part of the official statistics system. Producers across the GSS have begun to explore ways to expand their reach beyond their known (often internal) users. For example:

- statisticians at Her Majesty's Revenue and Customs (HMRC) have focused on making statistics more accessible to users through a complete revamp of their statistics website;
- ONS has been working on a series of new and improved theme pages changing how people can access and use their statistics and data; and
- in response to user feedback the Department for Education (DfE) combined a number of statistical releases to improve the coherence and impact of the analysis.

Producer departments will however need to do more to ensure they engage with the widest possible range of users. This will include;

- developing tools to help identify who their users are and how they use statistics;
- seeking regular feedback on statistical releases; and
- ensuring that user requirements are at the centre of the statistical prioritisation process.

The NSO is taking a whole system approach to improving user engagement and statistical commentary. Following a successful six-month pilot project in 2012/13 the Good Practice Team will continue with the intention of working across the GSS. During the pilot the team built strong links across the producer community and worked directly with 10 departments running user engagement workshops and helping statisticians improve a number of statistical releases. These included:

- *Property Transactions* published by Her Majesty's Customs and Revenue (HMRC);
- *Hospital Episode Statistics 2012* published by the Health and Social Care Information Centre;
- *Investment by Insurance Companies Pension Funds and Trusts Q4 2012* published by ONS; and
- *Local Authority Collected Waste* published by Department of Environment, Food and Rural Affairs (DEFRA).

Going forward the team will continue to work with producers on engagement and commentary, as well as best practice in relation to the dissemination of statistics and statistical quality. Producers will also be encouraged to work across departmental boundaries, reinforcing a sense of community across the GSS.

### Statistical outputs

Across the whole of the GSS, the total number of statistical outputs (both official and national statistics) rose slightly from 932 in 2011/12 to 972 in 2012/13. There were however some notable cessations this year, including:

- the Northern Ireland Statistics and Research Agency's (NISRA's) *NI Abstract of Statistics Online*, a compendium output containing a wide range of statistics drawn from both government and non-government sources;
- the Department for Communities and Local Government's (DCLG) *Regional Statistics*; and
- the Department for Work and Pension's (DWP) *National Insurance Number Allocations to Adult Overseas Nationals*.

In addition to these cessations there were 43 public consultations over the last 12 months on planned changes (and potential cessations) to statistical outputs. Some of the most notable consultations this year included:

- ONS consultation on changes to the *Retail Prices Index (RPI)*;
- the Department for Work and Pensions (DWP) consultations on '*Statistics on people and households claiming Universal Credit, Personal Independence Payment and other benefits*' and *Measuring child poverty*';
- the Health and Social Care Information Centre (HSCIC) consultation on the '*Smoking, Drinking and Drug Use Among Young People in England Survey*'; and
- the Welsh Government's consultation on the use of economic and labour market statistics, and on the publication arrangements for official statistics on health.

Although the overall numbers of outputs has reduced the GSS has responded rapidly to new requirements in the UK and European Union (EU) contexts. During 2012/13 several departments have produced new outputs from different data sources, and producers have worked across departmental boundaries to maximise the value of statistics from different sources. For example:

- the Northern Ireland Statistics and Research Agency (NISRA) has developed a new measure of quarterly performance of the Northern Ireland (NI) economy, the NI Composite Economic Index (NICEI);
- the Ministry of Justice (MoJ), Home Office (HO) and ONS co-published *An Overview of Sexual Offending in England and Wales*, presenting whole system statistical stories of topical crime and criminal justice issues; and
- the Department for Business, Innovation and Skills (BIS) set up a new cross-Whitehall group on Trade Statistics, with the aim of bringing together statisticians from HMRC, BIS and ONS to develop the analytical value of statistics on trade.

## 3.5 METHODS

Ensuring that official statistics are based on robust methods of sound quality is vital and the GSS Strategy highlights the need for HoPs to maintain their focus on the quality of methods. Producers are very mindful of quality and, as specified by the *Code of Practice for Official Statistics*, Quality Reports are published by all producers of official statistics. An example of how producers have gone further than maintaining quality and actually redefined a standard is the work by the Fuel Poverty Statistics team at the Department of Energy and Climate Change.

### Case Study

In August 2012, the fuel poverty statistics team in Department of Energy and Climate Change (DECC) was awarded the Royal Statistical Society award for excellence in official statistics which reward and promote good practice in the field of official statistics. The team at DECC won the award for their work on the Hills Review of Fuel Poverty. This review considered in depth the way in which fuel poverty is currently defined, and subsequently proposed a new way of measuring the extent and depth of fuel poverty. When giving the award, the judges said:

“It is clear that the innovative, rigorous and responsive analysis by the statistical team was instrumental to the development of the review, and that the team went beyond the call of duty.”

The improvement of methods is also supported by the GSS Quality Improvement Fund (QIF). Over the last 12 months the QIF supported work in several departments; examples of projects funded include:

- the development of a set of economic accounts for Northern Ireland (NISRA);
- micro level statistical disclosure control methodology to be applied to datasets which have been created through linking existing datasets (Scottish Government);
- improving estimators and confidence intervals in relation to the measurement of fraud and error (DWP); and
- quality assessment of two sampling frames for households surveys (ONS).

There are a range of tools available which producers can use to assure themselves and users of the quality of outputs including the Quality Methods, and Harmonisation Tool (QMHT), self-assessment assurance processes, in-depth methodological reviews, expert panel advice, and direct feedback from users. Some examples of good practice include:

- an Expert Panel run by DCLG to advise on the validity and reliability of the various statistical indicators the department releases;
- a Quality Assurance group run by DWP which establishes quality assurance best practice for all analysis used in the department; and
- the Welsh Government’s Statistical Quality Committee which includes quality champions from each analytical team which meets regularly to discuss quality management issues.

During 2012/13 the National Statistics Quality Review Programme (NSQR) was also re-established with initial plans developed for ONS, and extending across the GSS in the coming year. The NSQRs require producers to work with external experts and/or the GSS Methodological Advisory Committee (GSS MAC) to conduct 'root and branch' reviews of statistical methods and/or outputs.

## 3.6 IMPACT

### Open Data

During 2012/13 work on a data strategy and plan for the GSS began, and will be published in 2013. This work will set out how the GSS can maximise the use and impact of data by making current and future sources more 'open'. The GSS already does a lot that supports the Open Data agenda and according to a recent stock-take, in terms of Tim Berners-Lee's five-star rating scheme for open data, around 55 per cent of official statistics are already published at the three-star accessibility level.

In addition, across the GSS good practice is being shared by statisticians from ONS, DCLG, MoJ, and DWP who have experience of open data in terms of technical, legal and privacy issues. An e-learning training course on open data has been rolled out and is available on Civil Service Learning.

#### Case study

In accordance with the Government's Open Data White Paper, and working closely with a small group of local authorities and voluntary organisations, DCLG has trialled a selection of its housing, local government finance, wellbeing and deprivation statistics in the 'Five Star', linked data form that underpins the Government's Public Data Principles. These trial datasets test and demonstrate the power and potential of linking DCLG and third party sources over the Web using open standards, and were launched in April 2012 in the Department's demonstration 'Open Data Cabinet'. From the end of April 2013 DCLG will begin to implement the 'Open Data Cabinet' as a permanent, sustainable resource. Their plan is to begin with the Department's key statistical outputs, then progressively extend data content to all DCLG outputs, with priorities driven by user demand and clear evidence of benefits.

Looking to the future, producers will need to do more to progress the agenda and maximise data use and impact. Plans to be taken forward include:

- using standard data linking formats where appropriate to ease re-use and release in linked data formats; and
- releasing HTML summaries of the key findings from statistical releases to allow re-use.

The recommendations of the Administrative Data Taskforce<sup>1</sup>, published in December 2012 will have implications for the producers of official statistics. Many departments across the GSS are already working to make use of existing administrative data sources for statistical production and research purposes. For example, administrative data is a central tenet of the ONS Beyond 2011 programme which is looking at options to replace the requirement for a decennial Census.

Departments across the GSS are also considering how access to 'microdata', that is data at the lowest record level<sup>2</sup>, can be made facilitated and made easier for users. For example:

- ONS operate a Virtual Microdata Laboratory where registered researchers from across government and academia can get access to restricted microdata for research purposes; and
- DfE has new arrangements in place to provide access to anonymised, individual pupil data from the National Pupil Database (NPD) under terms and conditions for research purposes.

The NSO is considering how access to microdata can be improved and new guidelines for microdata and disclosure control<sup>3</sup> will be published next year.

### 3.7 COMMUNITY AND COLLABORATION

Building relationships and strategic partnerships with other organisations in the UK will help producers maximise the impact and value of statistics as well as better manage the challenges that all of those involved in the statistical processes are facing. The relationship between ONS and the Economic and Social Research Council's (ESRC) Centre for Population Change (CPC) exemplifies this with both organisations benefiting from having worked so closely together in recent years. Good examples of how beneficial this relationship has been include:

- CPC has recently developed an improved method for calculating the migration assumptions that feed into the National Population Projections (NPP), for ONS; and
- ONS is represented on the CPC advisory board and has had input into the Centre's scientific programme.

The GSS also has an excellent relationship with the Royal Statistical Society (RSS) working collaboratively on many issues. For example, the National Statistician and HoPs meet regularly with the RSS and other senior statistics users at the Statistics Suppliers and User Group (StatSUG) to discuss cross-cutting issues such as 'open data', user engagement, and UK data priorities.

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1 The Administrative Data Taskforce was initiated by a group of research funders including the ESRC, with representatives from across government and other funding bodies. The key role of the taskforce was to provide an independent response to the Government's 'Open Data' agenda.

2 With 'microdata' or record level data there is a record for each individual unit to which the data refers. Examples of such units are an individual, a household, a business etc.

3 A process to mitigate the risk of inadvertently revealing the identity or particulars of a statistical unit such as an individual, household or business, in a statistical release or dataset.

## **International collaboration**

During 2012/13 the GSS has continued to be active in the European Statistical System (ESS), Organisation for Economic Cooperation and Development (OECD) and the United Nations (UN). Across the global statistical system, the GSS has engaged in debates about how national systems can collaborate and agree standards to promote efficient production of official statistics. The GSS works within the ESS to guide its strategic direction, press for statistical prioritisation, develop appropriate EU statistical legislation and policies that meet user needs, and to ensure the UK's compliance with them.

In 2012/13 GSS continued to work with individual countries in helping them to develop their statistical systems. For example;

- ONS has been working with the Chinese National Bureau of Statistics, sharing good practice on all aspects of the statistical process; and
- the Department for International Development (DfID) has embedded statisticians within developing countries and has provided support in monitoring the impact of the UK Government's overseas development aid.

Looking to the future it will be essential for the GSS to work even closer with producers in the international statistical community to lever the benefits of well targeted collaboration, and to ensure statistical planning and co-ordination is stronger so as to better deliver internationally comparable data.



Mr Glen Watson

# Chapter 4

## Office for National Statistics Annual Report

### 4.1 DIRECTOR GENERAL'S INTRODUCTION – THE IMPORTANCE OF STATISTICS

This is my first report as ONS Director General and I want to start by paying tribute to my predecessor, Stephen Penneck, who retired in September 2012. Stephen did much to improve the fortunes of ONS and provided me with good advice as I prepared to pick up the reins. I wish him well in his retirement.

We have had a good year in ONS and I am very proud of what we have achieved.

Firstly, our economic statistics have stood up well to some intense scrutiny. As the economy has continued to cause concern, attention has often turned to whether the statistics are telling the whole story. ONS has been proactive in explaining the so called “productivity conundrum” and we have launched some new quality assurance and quality review mechanisms to make absolutely sure that our data sources and statistical methods are keeping pace with economic changes.

Secondly, this has been an important year for population and housing statistics. The first results from the 2011 Census dominated the news agenda for a while last July, and subsequent releases attracted huge coverage. The new insights the 2011 Census has



already provided about the changes taking place in our country are remarkable, and the most detailed results at very small geographical areas are still to come.

Thirdly, we have delivered some welcome improvements to the ONS website this year, as well as a rapid expansion in our data visualisation and social media products to increase the reach and improve understanding of our statistical messages.

We have also made great progress on the national wellbeing agenda, have developed our inflation statistics and have successfully transferred crime statistics into ONS. I could go on. It was good to see this progress reflected in more positive assessments of ONS performance this year from our “key accounts” in central government and elsewhere.

That is just a small sample of what our customers and users see, but this has also been a good year for how we organise and run ONS. We have a new Executive Leadership Team in place and have launched a new ten year strategy to chart the way forward. We have tightened up many of our internal control mechanisms and have continued to build the skills and capabilities we need for the future, such as digital publishing, programme and project management and economic and statistical analysis.

We continue to drive down our costs and reduce the burden placed on UK businesses and households in filling in our surveys. We are actively pursuing new approaches to collecting data – including pushing for better data sharing legislation to enable us to re-use, for statistical purposes, data already collected by various public bodies.

Looking forward, we plan to deliver the first stages of our new ten year strategy. In 2014 we expect to make recommendations to Government on the future of census taking. We will be pressing ahead with our digital programmes – both online data collection and digital publishing. We plan to go on improving our economic statistics, and aligning them to new international classifications systems, and we plan to go on building the capabilities of our workforce.

I want to pay tribute to the professionalism and commitment of all of our staff in ONS. This is a time of great change and opportunity and, together, we look forward to the challenges with confidence and determination.



**Glen Watson**

**ONS Director General**

28 June 2013

## 4.2 ABOUT THE OFFICE FOR NATIONAL STATISTICS

### WHO WE ARE / ABOUT US

The Office for National Statistics (ONS) is the UK's National Statistical Institute and the largest producer of official statistics in the UK. It is the only government department with the production of statistics as its main role. As the Executive Office of the UK Statistics Authority it is independent of ministers, reporting through the Authority to the UK Parliament and the devolved legislature. The Statistics and Registration Service Act 2007 sets the Authority the objective of promoting and safeguarding the production and publication of official statistics that serve the public good. This includes, but is not exclusive to, the needs of government.

As the Executive Office of the Authority, our main responsibilities are:

- the collection, compilation, analysis and dissemination of a range of key economic, social and demographic statistics about the UK;
- the provision of statistical leadership and methodological advice for the benefit of UK official statistics; and
- representing the UK internationally as the UK's National Statistical Institute.

These responsibilities span more than 650 different statistical releases a year. They rely on a broad range of methods and systems. Consistent with the Authority's responsibility to promote and safeguard official statistics, outputs are produced in line with the Code of Practice for Official Statistics and relevant quality standards.

## AIMS AND OBJECTIVES

Our vision is:

**to be widely respected for informing debate and improving decision making through high quality, easy to use statistics and analyses on the UK's economy and society.**

To help achieve our vision we have recently published a new strategy. The strategy includes nine strategic aims that will guide everything we do.

ONS strategic aims:

- Inform debate and have **greater impact** on decision making
- Dramatically **improve the communication of our statistics** and analyses
- Be **highly regarded by our customers** for producing **trustworthy statistics** and analyses that anticipate their needs
- Be at the **forefront of integrating and exploiting data** from multiple sources
- Have **flexible** and **efficient processes and systems** for statistical production, underpinned by **sound methodology**
- **Improve quality** and **minimise the risk of errors**
- Keep the data we hold **secure**
- Be a **statistical powerhouse** at the heart of the Government Statistical Service and the European Statistical System
- Have skilled and motivated people who are **enthusiastic for change**



### 4.3 ONS FACTS AND FIGURES

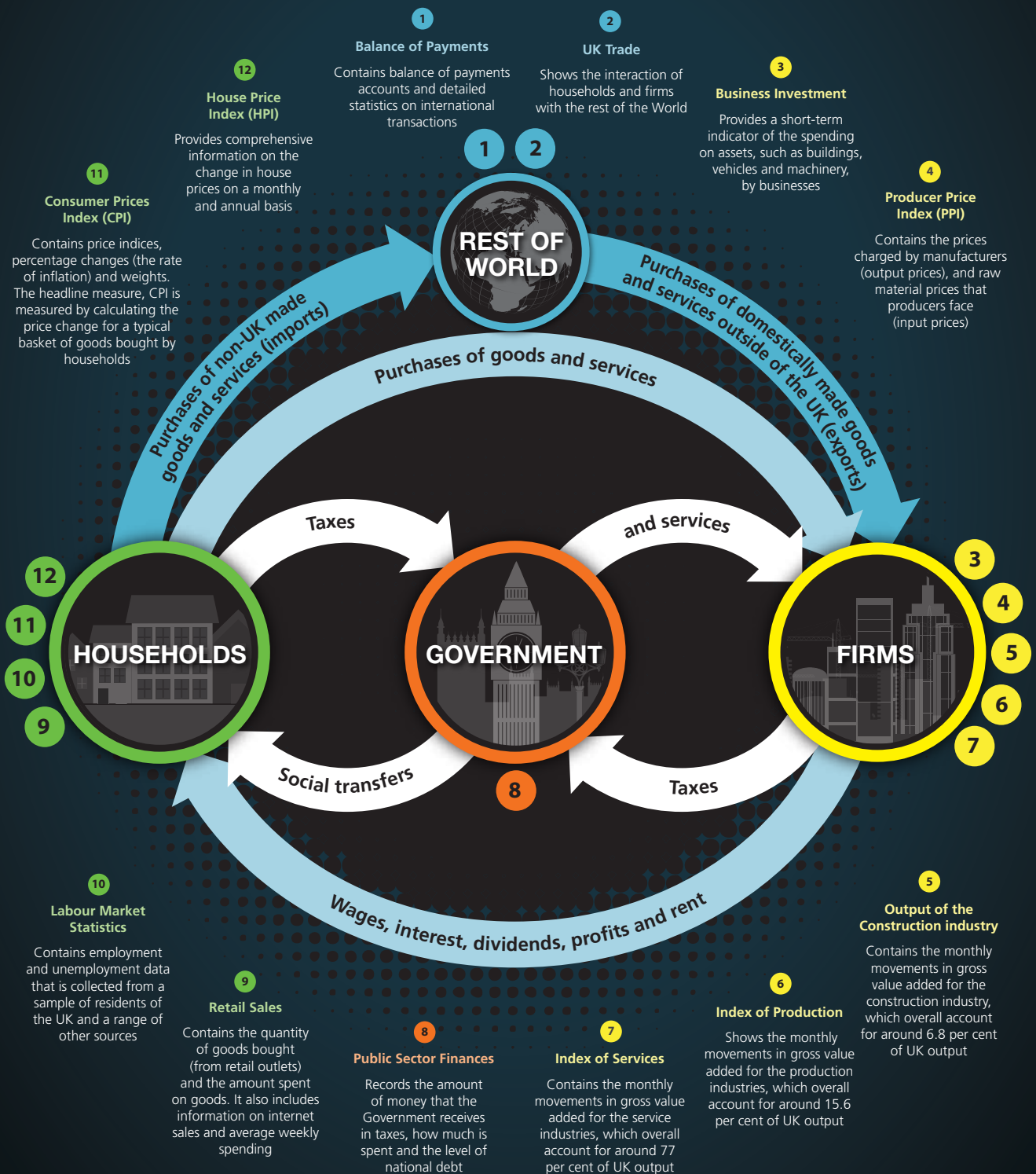
We currently employ approximately 3,500 people (headcount) to produce a large range of economic, social and demographic statistics every year which meet the standards set out in the *Code of Practice for Official Statistics*.

During the course of the year we:

- published over 650 statistical and analytical releases;
- sent out 1.8 million requests for business data, including questionnaires, telephone data entry, email and internet requests;
- managed over 40,000 enquiries from the public and media;
- had over 25,000 followers on Twitter and over 850 subscribers on YouTube;
- responded to 625 Parliamentary Questions for ministers and Members of Parliament;
- had over 7,500 stories in the media, 99% being positive or neutral in tone; and
- had 6.8 million visitors to our website with some of the most popular releases (based on web visits) being:
  - Families and Households
  - Economic Review
  - Baby Names
  - Internet Access
  - Annual Survey of Hours and Earnings
  - Consumer Prices Index
  - Labour Market Statistics
  - Gross Domestic Product
  - Retail Sales
  - 2011 Census Results

# How ONS statistics explain the UK economy

The circular flow of income shows how financial payments flow between firms and households within the economy. It also shows the interaction between different sectors of the economy and the rest of the world. Gross domestic product (GDP) measures the total output of the UK economy, and the quarterly national accounts build this into a complete picture of all the transactions shown in the graphic.



## 4.4 OUR CUSTOMERS

ONS statistics are accessed in many different ways, by a wide range of customers for very different purposes. Some of the key users and uses are:

- central and regional government to allocate multi-billion pound budgets and inform major economic decisions;
- local government and health authorities to plan services;
- the private sector to inform plans and contractual arrangements;
- the third sector to build an enduring base for achieving change and influencing policy;
- individuals to understand the local area, our changing society and hold the government to account; and
- the media to stimulate and contribute to debate about the economy and the population.

### Spotlight on – Economic Statistics

The economic statistics we publish are seldom far from the headlines. Figures on Gross Domestic Product (GDP), trade, labour market, inflation and public finances are analysed in depth by government, the Bank of England Monetary Policy Committee, and academic and private sector economists as they attempt to interpret the behaviour of the economy.

Following the 2008-2009 recession, public scrutiny of the figures has intensified and the media and users have questioned our GDP estimates. The depth of the recession and the sluggish nature of the subsequent recovery appears at odds with the more resilient labour market – the so-called ‘productivity conundrum’. In response we have scrutinised our methods and the data sources used to compile the National Accounts, and we have found no reason to doubt the quality of GDP estimates. However, GDP remains a difficult concept to measure accurately and our ongoing improvement programme continues to focus on maintaining quality and updating methods.

To aid public interpretation of economic developments, we have increased the extent of commentary in our statistical bulletins and published a number of explanatory and analytical articles.

## 4.5 OUR SUPPLIERS

The majority of our statistics could not be delivered without the co-operation and help of our data suppliers in households and businesses.

We value the contribution and quality of data provided by our data suppliers but we also recognise that times are changing and the willingness to respond to our surveys is declining. We are working hard to minimise the impact on our data suppliers by making more use of administrative data captured by other means, such as company databases or VAT returns, while developing our capability to collect information electronically. Our role in influencing the Government's data sharing agenda is, and will remain, crucial.

### Spotlight on – Crime Statistics

Responsibility for the collation and publication of Crime Statistics moved to ONS on 1 April 2012 with the aims of demonstrating the independence of the statistics; better informing policy and decision making; and allowing the public to more clearly assess the risk of crime.

During this first year we have introduced four standardised regular quarterly bulletins that incorporate a variety of crime related data from other sources with the results of our Crime Survey for England and Wales (CSEW). This gives a clearer understanding of the overall picture of crime. Examples of alternatively sourced data include:

- Police Recorded Crime
- Police recorded anti-social behaviour
- Fraud information from the National Fraud Intelligence Bureau.

We have also collaborated with the Home Office and Ministry of Justice to produce a report on sexual offending in England and Wales presenting statistics from across the criminal justice system.

We are committed to producing a series of topic based 'focus on' publications, the most recent of which presented detailed analysis on Violent Crime and Sexual Offences. Important one-off reports have also been published including a study of trends in 'comparable crime' categories between the CSEW and the police recorded crime series.

## 4.6 THE YEAR IN FOCUS

As well as the continued delivery of high quality statistics to an agreed timetable, 2012/13 saw a number of successes for ONS including:

### April

- Successful transfer of Crime Statistics from the Home Office
- Successful transfer of House Prices Statistics from the Department for Communities and Local Government
- Data visualisation for Internal Migration published
- The 2012/13 Family Resources Survey questionnaire updated to include the questions needed to meet the European Union requirement for Statistics on Income and Living Conditions

### June

- Successful International Review Panel held looking at future options to replace the Census
- Comparison of key figures from 1952 and 2012 published to coincide with the Queen's Diamond Jubilee
- Launched a public consultation on the approach to measuring owner occupiers' housing costs in a new additional measure of Consumer Price Inflation

### August

- Census Region and Country Profiles – key statistics summary released
- The first National Bereavement Survey (VOICES) results published

### May

- Release of 'Follow the Flame' in Figures (2012 Olympics)
- Launch of a web based version of the Business Statistics User Guide
- House Price Index published for the first time

### July

- Crime Statistics annual publication published
- Launch of National Wellbeing package of outputs including interactive mapping facility
- International Passenger Survey expanded to collect information associated with the Olympics
- Launch of the first set of 2011 Census results

### September

- User consultation launched on changing the presentation of crime statistics



### October

- Focus groups with users held to discuss statistical bulletins and theme pages
- ONS ranked in the top ten organisations, and is the top government department, in a benchmark by the Business Disability Forum
- Launched consultation on the Retail Price Index formula

### December

- Launch of the 2011 Census Key Statistics for local authorities
- Following legislation being passed anonymised, individual-level data received from the Department for Work and Pensions, the Northern Ireland Department for Social Development and HM Revenue and Customs, to assess how they can be used to benefit population statistics

### February

- New theme pages launched on the website
- Published the first report on options to replace the Census in future

### November

- Launch of National Wellbeing first annual report
- 'The Changing Shape of UK Business' event (joint event with Department of Business, Innovation and Skills) held to widen engagement with stakeholders
- Improvements to the search facilities and the ability to embed interactive content on the ONS website launched
- Contract for the fifth decennial Child Dental Health Survey awarded to an ONS-led consortium

### January

- 2011 Census Key and Quick Statistics for lower level geographies released
- Announcement on Retail Price Index formula

### March

- Publication of new ONS vision and ten year strategy
- Publication to mark '40 Years of the General Lifestyle Survey' released

We discontinued the following statistics during 2012/13:

- Cancer Survival in former Spearhead Primary Care Trusts in England
- Relative Survival from Cancer in English Regions
- Deaths Involving Staphylococcus Aureus and MRSA, England and Wales
- Estimates of the Cohabiting Population

## Notable Achievements

We have made important progress in our aim to increase the use of administrative data in our work. This has been supported by legislation passed in Westminster and the Northern Ireland Assembly to allow us to access data held in the Department for Work and Pensions' Customer Information System.

In addition to delivering our wide range of statistical publications, we have successfully raised the profile of the 'Economic Review' and published a number of external articles to better explain ONS statistics. In October 2012, we hosted a seminar in support of our article on the 'productivity conundrum'. The event, attended by people from across the media and academic world, was a key response to questions raised by the press and economists on why they could not reconcile the official labour market data with the decline in GDP. Building on this engagement, a Business Statistics User event, the 'Changing Shape of UK Business', was held in partnership with the Department of Business, Innovation and Skills in London. The event brought together a wide range of users from industry, academia, local authorities and government departments, providing an unique opportunity to hear about the range of uses for business statistics, and where gaps exist.

We have enhanced the coverage of our outputs and built relationships through various means. Highlights include:

- the GDP live briefing broadcast by BBC News (January);
- the press event for the publication to mark '40 Years of General Lifestyle Survey' (March) was attended by nine national news organisations and resulted in 15 network and local broadcast interviews;
- three hours of face to face briefings attended by Channel Four, BBC, Financial Times and The Times on the classification of 'one off' items like quantitative easing in the public sector finance figures; and
- press conferences held simultaneously in Cardiff and London for the first and second release of Census results.

A Statistical Products Working Group has been set up as a mechanism for sharing, reviewing and inspiring improvements to existing and new statistical products so they continue to meet users' needs. It brings together various development strands from across the office to ensure that developments and lessons learned are shared.

We provided strong statistical leadership to the international statistical agenda this year with a successful International Review Panel to look at options to replace the Census held from 11 to 14 June 2012. A second International Review Panel to look at options to replace the Census and an International Census Forum took place in May 2013. ONS leadership has been provided on the new European Demography Regulation and the UNECE Social and Economic Conditions of Migrants Task Force, and is also fully engaged with Eurostat's one and five year plans.

## Key Account Performance

Each year we ask our key stakeholders including central government departments, the Bank of England and the Office for Budgetary Responsibility to assess our performance in terms of professionalism, engagement and the quality of data, as well as provide us with an assessment of our overall performance. This year over 20 key accounts were asked to provide feedback to help us improve the services we offer. Overall feedback shows that, of the 17 who responded, 13 reported being satisfied with the overall performance of ONS and four were neither satisfied nor dissatisfied. One department, the Office for Budget Responsibility, was dissatisfied with the quality of data. This mark is a result of a number of issues including the slow progress in improving the coherence between the Public Sector Finance and the National Accounts. The alignment of these is being delivered in 'Blue Book 2013', to be published in July 2013, and agreement has been reached that every Blue Book thereafter will align Public Sector Finance statistics with National Accounts.

## 4.7 OUR PEOPLE

We continue to work towards building our workforce for the future, to underpin the challenges we face as an organisation. Responses to the annual Civil Service People Survey show that our staff engagement index has increased only slightly this year. The engagement index measures how people feel about the organisation, such as whether or not they feel proud to work here and if they feel that ONS inspires them to do their best. We need to do more to understand this and increase engagement levels.

Our people have achieved a number of successes this year and have been recognised in a number of ways:

- our approach to developing a portfolio programme management strategy and processes has been recognised and praised by the Major Projects Authority (MPA);
- ONS was recognised as the number one government department in the UK, assessed for the disability benchmark by the Business Disability Forum;
- ONS was ranked at 40 out of 373 organisations in the Stonewall Top 100 and our Lesbian, Gay, Bisexual and Trans (LGBT) Network won an award for the Top Performing Network Group from Stonewall Cymru;
- over 50 staff celebrated successfully passing statistical exams;
- over 120 staff have successfully completed Lean Six Sigma training;
- ONS emerged as the top performing government department for environmental sustainability; and
- ONS staff continue to support local charities and, amongst others, helped provide a Christmas lunch for senior citizens in Newport; held a 'Pedometer Challenge', an 'Apprentice Challenge'; and cycled across the Gwent Levels for charity.

## Spotlight on – Census

Census statistics are used by a wide range of customers for a wide range of uses. Many local authorities publish the census information for their district on their own website, making it readily available to all.

It is critical that local authorities understand how the population in their area is growing and changing in order to plan effectively the services they deliver. They are particularly interested in small area census data and the following are examples of how this data is being used:

- to identify areas where a large proportion of the population have low or no qualifications, to target education campaigns and predict future demand for school places;
- to inform debate on budget spend on projects such as supporting older people to live independently at home and resourcing Children's Centres;
- to inform transport planning for issues such as the provision of car parking and cycling lanes, and rural bus/train subsidy schemes;
- to inform [their] housing policy; and
- to inform the approach to area-based domestic energy efficiency interventions and measure recycling performance.

Census statistics are also used widely by central government departments to inform decision making on issues such as:

- transport schemes (Department for Transport);
- benefits and pensions simulation models (Department for Work and Pensions);
- modelling of sports participation (Sports England);
- responding to the 2011 riots (Department for Communities and Local Government, Independent Riots Communities and Victims Panel); and
- resource allocated to local areas (Department of Health and Department for Communities and Local Government).

Commercial sector uses include market research/marketing based and, in particular, a basis for sampling.

Charity sector use is quite wide ranging, covering such things as:

- allocating funds and grants to parishes (Church of England);
- considering the impact of ethnicity and language spoken on service delivery (NSPCC); and
- tendering for work in a local area or region and policy making (The Children's Society).

The latest 2011 Census data is currently being used to draw comparisons between the 2001 and 2011 data and highlight the impact of significant changes on planning for key services. Below are some examples of the infographics released using the Census results.

# Inequality in the provision of unpaid care in England and Wales

## Counts and proportions of unpaid carers

England +

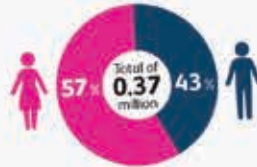
Females  
**3.12m**  
11.8% of the female population

Males  
**2.29m**  
8.9% of the male population

Wales

Females  
**0.21m**  
13.8% of the female population

Males  
**0.16m**  
10.6% of the male population



## Gender inequality by age in England and Wales

Age 0-24

↑ 2%

↓ 3%

Age 25-49

↑ 8%

↓ 13%

Age 50-64

↑ 17%

↓ 24%

Percentage of people in each age category that provided 1 or more hours unpaid care a week

## Gender inequality across English regions and Wales



## Inequality in providing unpaid care among economically active men and women

England +

Full-time

↑ 9.3%

↓ 12.1%

Part-time

↑ 12.5%

↓ 16.1%

Unemployed

↑ 8.9%

↓ 11.1%

Percentage of people in each age category that provided 1 or more hours unpaid care a week

Wales

Full-time

↑ 11%

↓ 15.3%

Part-time

↑ 13.8%

↓ 17.8%

Unemployed

↑ 9.9%

↓ 12.1%

## Health comparisons between full-time workers

**2.7**

**2.4**

Women are 2.7 times and men 2.4 times more likely to report 'not good' health if working full time and providing 50 or more hours of unpaid care a week than those who provide no unpaid care and work full time in England and Wales.

www.ons.gov.uk



# What does the 2011 Census tell us about religion in England and Wales

## Counts and proportions

Christians

33.2m

39% of the total resident population

17.2m in 2001

↑ 12 percentage points

No religion

10

percentage points

14.1m

23% of the total resident population

7.2m in 2001

Muslims

2

percentage points

2.7m

5% of the total resident population

1.5m in 2001

## Age distribution



## Ethnic diversity

Muslims were more ethnically diverse. Around 9 in 10 Christians and people with no religion were White.



## Country of birth



# Estimated population of England and Wales

**56,075,900**

## POPULATION GROWTH

↑ 3.7m

7.1%

This was the largest growth in the population in England and Wales in any 10 year period since the census began.

## GENDER

Females 28.5m

Males 27.6m

## AGED 65 AND OVER

1m 6

18.4% of the population

## CHILDREN UNDER FIVE

3.5m

406k more than in 2001

## HOUSEHOLDS

23.4m

7.5%

23.4 million households in England and Wales. Headed by 21.7 million in 2001. The average size was 2.6 people per household in 2011.

## REGIONAL TRENDS

Highest population increase (since 2001)

Lowest population increase (since 2001)

All regions show population growth between 2001 and 2011, with the highest in London, East of England and the East Midlands.

ons.gov.uk



## 4.8 LOOKING FORWARD

Our new strategy sets the broad direction and aims for ONS over the next ten years and can be found on our website. Following the launch of this strategy we also have a new business plan which will be available on our website. Over the coming year we will continue to balance meeting EU regulations with developing new statistics and analysis, and improve the communication of our statistics and analysis.

### Portfolio of Projects and Programmes

Current budgetary constraints have caused us to carefully consider the feasibility of our portfolio but we are confident that we can still deliver a significant number of key projects and programmes. These include:

- **Census:** This year will see the fourth Census 2011 data release. Critical to this is another of our projects to enhance the capability of our website. We will also be continuing our research and investigations into the best way to provide population and small area socio demographic statistics in the future. Final recommendations are due in 2014.
- **Measuring National Well-being:** 2012 saw the first annual publication of National Wellbeing Indicators. The second publication is scheduled for the end of 2013 and will be an important milestone in the establishment of a stabilised set of wellbeing indicators.

### Our Customers

We will continue to engage with our customers to ensure we understand their needs and requirements, prioritising and adjusting our portfolio of statistical products accordingly.

A number of enhancements were made to our website this year which have improved the customer experience through easier navigation and the highlighting of key statistical 'stories'. We will continue to explore upcoming technologies and dissemination channels and are recruiting the specialist skills needed to build new tools and channels.

### Data Suppliers

Reducing the burden on our data suppliers remains a key priority. We will continue the development of alternatives to paper based and face-to-face surveys and work closely with other government departments to develop the legislative framework needed to increase the secure sharing of data.

### Data Quality

As part of the ONS commitment to produce trusted statistics of high quality, ONS continuously reviews and improves data sources, methods and systems. Recently, user attention has been on the quality of GDP estimates. To address this a 'GDP improvement' plan was published in October 2012 to set out the various improvement projects already under way or planned. A National Statistics Quality Review of National Accounts is scheduled for the autumn of 2013 and will provide an additional focus for quality improvements to economic statistics more generally.



## Chapter 5

# Corporate and Summary Financial Information

This chapter brings together a number of corporate activities. It summarises the Authority's financial position in 2012/13 and shows that we have already achieved a number of the 2015 Government Performance Targets on sustainability. It also shows that we continue to make good progress against 2013 targets set for Senior Civil Service posts and that we continue to make a positive contribution to the local communities with staff volunteering to help with a range of community projects. The final part of this chapter gives a summary of our information assurance.

### 5.1 COMPARISON OF 2012/13 OUTTURN WITH THE 2012/13 ESTIMATE

| Resources   | 2012/13 Estimate | 2012/13 Outturn | Saving        |
|---|------------------|-----------------|---------------|
|   | £'000            | £'000           | £'000         |
| Departmental Expenditure Limit – Resource; of which | 184,139          | 181,109         | 3,030         |
| Depreciation  | 17,000           | 15,243          | 1,757         |
| Departmental Expenditure Limit – Capital            | 20,500           | 19,414          | 1,086         |
| Annually Managed Expenditure – Resource             | 15,161           | (2,768)         | 17,929        |
| <b>Total</b>  | <b>219,800</b>   | <b>197,755</b>  | <b>22,045</b> |



The Statement of Parliamentary Supply Summary of Resources 2012/13 contained in the Accounts shows the total net outturn for the year was £197.8 million against an estimate of £ 219.8 million.

The resource under-spend within the category of Departmental Expenditure Limit was £3.0 million. The reasons for the under-spend can be summarised as:

- Contingency not being fully required; and
- lower depreciation charges than expected when set as part of the 2010 Comprehensive Spending Review settlement.

Depreciation charges account for £1.8 million of the under-spend with the under utilisation of our contingency accounting for the remaining £1.2 million. The Authority holds a small amount of contingency to cover any unforeseen operational difficulties that might impact on the business during the year and this was largely not required.

During the supplementary estimate process, the Authority requested funds within the category of Annually Managed Expenditure based on the potential requirement for provisions at that time. These requirements were reassessed at the financial year end and certain provisions for the repayment of EU Grant Funding and a Staff Severance Scheme were not required. In addition the forecast reduction in property values for our Newport site did not materialise.

During the year and as part of the annual impairment review, the Authority has written off capital assets with a book value of £5.3 million. Further details of the impairments can be found in note 10 to the accounts.

Included within resource expenditure are staff costs which are further analysed in Note 5 to the accounts. This Note shows the number of full time equivalent staff (FTEs) and their costs, which include wages, social security and pension costs. Employees are Civil Servants to whom the conditions of the Superannuation Acts of 1965 and 1972 and subsequent amendments apply.

The Remuneration Report and Accounting Policies for 2012/13 provide further information on the relevant pension schemes.

In accordance with IAS24 Related party disclosures, all executive directors, non-executive directors and deputy directors are required to complete declarations that they have not entered into agreements or undertaken any material transactions with a related party during the year. Further information is in Note 21 of the accounts.

The accounts of the Authority are audited by the Comptroller and Auditor General and his Certificate and Report to the Houses of Parliament is presented in the Annual Accounts at pages 82 to 83. The financial statements are audited in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, and in accordance with the Government Resources and Accounting Act 2000. Audit fees charged in the accounts amount to £79,000 (2011/12 £75,800). There were no non-audit fees charged in either 2012/13 or 2011/12.

## 5.2 CORE TABLES

The following table shows expenditure records and plans over a number of years. For 2008/09 onwards they show spending for the Authority only, whereas prior to that they also include spend for General Register Office and National Health Service Central Register.

Machinery of Government (MOG) transfers for Crime Statistics and House Price Index have been applied from the 2012/13 main Estimate. They are also included in plans for the remainder of the spending review but are not included within previous years.

## THE STATISTICS BOARD

### Total departmental spending

#### Core Table

The following table shows expenditure records and plans over the period 2006/07 to 2014/15. For 2008/09 onwards they show the Authority only, whereas prior to 2008/09 they show spend for ONS including General Register Office (GRO) and the National Health Service Central Register (NHSCR). Machinery of Government (MOG) changes for Crime Statistics and the Housing Survey Index applied in the 2012/13 Main Estimate are included in plans years 2012/13 to 2014/15 but not included in outturn years.

|  | 2006/07<br>Outturn | 2007/08<br>Outturn | 2008/09<br>Outturn | 2009/10<br>Outturn | 2010/11<br>Outturn | 2011/12<br>Outturn | 2012/13<br>Outturn | 2013/14<br>Planned | 2014/15<br>Planned |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | £'000              | £'000              | £'000              | £'000              | £'000              | £'000              | £'000              | £'000              | £'000              |
| <b>Resource DEL</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Section A:<br>Programme<br>Expenditure                                 | 193,802            | 171,099            | 207,297            | 205,899            | 304,690            | 311,853            | 181,109            | 170,138            | 159,345            |
| Section B:<br>Departmental<br>Unallocated<br>Provision                 | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>Total Resource<br/>DEL</b>  | <b>193,802</b>     | <b>171,099</b>     | <b>207,297</b>     | <b>205,899</b>     | <b>304,690</b>     | <b>311,853</b>     | <b>181,109</b>     | <b>170,138</b>     | <b>159,345</b>     |
| <i>Of which:</i>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Pay  | 128,951            | 117,886            | 103,317            | 110,196            | 125,285            | 158,457            | 112,912            | 105,154            | 97,951             |
| Net current<br>procurement <sup>1</sup>                                | 48,760             | 31,186             | 90,492             | 81,136             | 166,678            | 138,986            | 54,107             | 49,484             | 46,094             |
| Current grants and<br>subsidies to the<br>private sector and<br>abroad | (350)              | (846)              | (721)              | (70)               | (781)              | (1,044)            | (1,153)            | -                  | -                  |
| Current grants to<br>local government                                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Depreciation <sup>2</sup>  | 16,441             | 22,873             | 14,209             | 15,849             | 13,436             | 14,721             | 15,243             | 15,500             | 15,300             |
| Other  | -                  | -                  | -                  | (1,212)            | 70                 | 733                | -                  | -                  | -                  |
| <b>Resource AME</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Section C:<br>Provisions   | -                  | -                  | -                  | 14,420             | 7,056              | (719)              | 1,069              | -                  | -                  |
| Section D: Utilised<br>Provisions <sup>6</sup>                         | (3,746)            | (7,936)            | -                  | (13,849)           | (10,072)           | (5,559)            | (3,837)            | (5,424)            | (1,185)            |
| <b>Total Resource<br/>AME</b>  | <b>(3,746)</b>     | <b>(7,936)</b>     | <b>-</b>           | <b>571</b>         | <b>(3,016)</b>     | <b>(6,278)</b>     | <b>(2,768)</b>     | <b>(5,424)</b>     | <b>(1,185)</b>     |
| <i>Of which:</i>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Pay  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Net current<br>procurement <sup>1</sup>                                | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Current grants and<br>subsidies to the<br>private sector and<br>abroad | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Current grants to<br>local government                                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Net public service<br>pensions <sup>3</sup>                            | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |

|  | 2006/07        | 2007/08        | 2008/09        | 2009/10        | 2010/11        | 2011/12        | 2012/13        | 2013/14        | 2014/15        |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | Outturn        | Outturn        | Outturn        | Outturn        | Outturn        | Outturn        | Outturn        | Planned        | Planned        |
|  | £'000          | £'000          | £'000          | £'000          | £'000          | £'000          | £'000          | £'000          | £'000          |
| Take-up of provisions                            | 30,038         | 5,904          | 13,676         | 13,956         | 3,038          | (1,736)        | 1,069          | -              | -              |
| Release of provisions <sup>6</sup>               | (3,746)        | (7,936)        | (13,849)       | (15,216)       | (10,072)       | (5,559)        | (3,837)        | (5,424)        | (1,185)        |
| Depreciation <sup>2</sup>                        | -              | -              | -              | 469            | 4,018          | 1,017          | -              | -              | -              |
| Other  | (30,038)       | (5,904)        | 173            | 1,362          | -              | -              | -              | -              | -              |
| <b>Total Resource Budget</b>                     | <b>190,056</b> | <b>163,163</b> | <b>207,297</b> | <b>206,470</b> | <b>301,674</b> | <b>305,575</b> | <b>178,341</b> | <b>164,714</b> | <b>158,160</b> |
| <i>Of which:</i>                                 |                |                |                |                |                |                |                |                |                |
| Depreciation <sup>2*</sup>                       | 16,441         | 22,873         | 14,209         | 16,318         | 17,454         | 15,738         | 15,243         | 15,500         | 15,300         |
| Capital DEL                                      |                |                |                |                |                |                |                |                |                |
| Section A: Programme Expenditure                 | 22,562         | 15,342         | 19,305         | 14,374         | 14,627         | 19,853         | 19,414         | 8,600          | 10,100         |
| <b>Total Capital DEL</b>                         | <b>22,562</b>  | <b>15,342</b>  | <b>19,305</b>  | <b>14,374</b>  | <b>14,627</b>  | <b>19,853</b>  | <b>19,414</b>  | <b>8,600</b>   | <b>10,100</b>  |
| <i>Of which:</i>                                 |                |                |                |                |                |                |                |                |                |
| Net capital procurement <sup>4</sup>             | 22,562         | 15,324         | 19,290         | 14,374         | 14,627         | 19,853         | 19,414         | 8,600          | 10,100         |
| Capital grants to the private sector and abroad  | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Capital support for local government             | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Capital support for public corporations          | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Other  | -              | 18             | 15             | -              | -              | -              | -              | -              | -              |
| <b>Capital AME</b>                               |                |                |                |                |                |                |                |                |                |
| <b>Total Capital AME</b>                         | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <i>Of which:</i>                                 |                |                |                |                |                |                |                |                |                |
| Capital grants to the private sector and abroad  | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Net lending to the private sector and abroad     | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Capital support for public corporations          | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Other  | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>Total Capital Budget</b>                      | <b>22,562</b>  | <b>15,342</b>  | <b>19,305</b>  | <b>14,374</b>  | <b>14,627</b>  | <b>19,853</b>  | <b>19,414</b>  | <b>8,600</b>   | <b>10,100</b>  |
| <b>Total departmental spending<sup>5**</sup></b> | <b>196,177</b> | <b>155,632</b> | <b>212,393</b> | <b>204,526</b> | <b>298,847</b> | <b>309,690</b> | <b>182,512</b> | <b>157,814</b> | <b>152,960</b> |
| <i>Of which:</i>                                 |                |                |                |                |                |                |                |                |                |
| Total DEL  | 199,923        | 163,568        | 212,393        | 204,424        | 305,881        | 316,985        | 185,280        | 163,238        | 154,145        |
| Total AME***                                     | (3,746)        | (7,936)        | -              | 102            | (7,034)        | (7,295)        | (2,768)        | (5,424)        | (1,185)        |

## Notes

1. Net of income from sales of goods and services.
2. Includes impairments
3. Pension schemes report under FRS 17 accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items.
4. Expenditure on tangible and intangible fixed assets net of sales
5. Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

## 5.3 SPENDING REVIEW

The Spending Review is a Treasury-led process to allocate resources across all government departments, according to the Government's priorities. Spending Reviews set firm spending budgets over several years for each department. Spending Review 2010 covers the four years from 2011/12 to 2014/15.

The Authority publishes a business plan that shows how its spending is planned within the remit of that settlement.

## 5.4 PROMPT PAYMENT TARGET

The Authority is committed to both the Confederation of British Industry Prompt Payment Code and Department for Business, Innovation and Skills Better Payment Practice. The policy is that all bills should be paid in accordance with contractual conditions.

Where no conditions exist, payment will be made within 30 working days of the receipt of goods or services, or the presentation of a valid invoice, whichever is the later. We achieved payment in accordance with this policy in 95 per cent of transactions for the year ended 31 March 2013. The performance is measured in accordance with HM Treasury guidelines.

In addition to the 30 day target, we endeavour to pay suppliers, especially Small and Medium sized Enterprises, within 5 days. We achieved payment in accordance with this policy in 89 per cent of transactions for the year.

## 5.5 FINANCIAL REPORTING TO PARLIAMENT

This report forms part of the annual reporting process to Parliament. To allow Parliamentary scrutiny, the Authority also prepares Estimates of its expenditure, with the Main Estimate in the early part of the financial year, and the Supplementary Estimate normally published in February. Estimates can be found at: [www.hm-treasury.gov.uk/psr\\_estimates\\_mainindex.htm](http://www.hm-treasury.gov.uk/psr_estimates_mainindex.htm)

## 5.6 TRANSPARENCY

The Government has a clear commitment to greater transparency of public information. It believes members of the public should be able to access information on how departments are organised and what they spend.

The Authority believes that transparency is a key condition and driver for the delivery of our services. As a publicly funded organisation, we have a duty to our stakeholders to be transparent about our business operations and outcome.

To give greater transparency across its operations the Authority publishes information which is regularly updated on its own website and/or the ONS website.

This includes:

- Board members and Senior Directors expenses and hospitality received;
- Organisation charts;
- Details of Senior and Junior posts and Senior Staff salaries;
- Details of payments to suppliers each month over £25,000;
- Monthly prompt payment information; and
- Exception Reporting.

## 5.7 CONTRACTUAL ARRANGEMENTS

To deliver its business the Authority works with a number of key suppliers. These have been selected in accordance with government procurement guidelines. The Authority manages these suppliers using a defined contract management process and in some cases works with these suppliers as part of an integrated project team.

Those that provide longer term support to the Authority include Fujitsu Services Ltd, British Telecom and Landmark who provide IT services. Steria, Parity Resources Ltd and Hays provide key IT contractors. For facilities management services we work with Mitie Facilities Services whilst British Telecom manage our Communications. TNS UK Ltd and TNS Research International work with us on key statistical outputs.

## 5.8 SUSTAINABLE DEVELOPMENT AND REPORTING

This section of the Annual Report and Accounts presents progress against targets for Sustainable Development. In 2011/12 the Government established a set of 'Greening Government Commitments' that apply to all Departments. The Authority has in place an agreed Sustainable Development Policy and Sustainable Development Action Plan designed to take steps to meet the Commitments and is making good progress in many areas.

**Table 1: Summary**

| Area  | Actuals | Target Performance |
|---|---------|--------------------|
|   | 2012/13 | 2015               |
| Carbon from Buildings (tonnes Carbon Dioxide)             | 4,090   | 5,328              |
| Carbon from Travel (tonnes Carbon Dioxide) <sup>1,5</sup> | 2,030   | 2,217              |
| Waste (tonnes) <sup>2</sup>                               | 543     | 493                |
| Water consumption (cubic metres)                          | 14,764  | 18,526             |
| Water expenditure (£'000) <sup>3</sup>                    | 83      | N/A                |
| Energy consumption ('000 kilowatt hours) <sup>4</sup>     | 11,572  | N/A                |
| Energy expenditure (£'000) <sup>3</sup>                   | 889     | N/A                |

### Notes

1. Carbon from travel includes road, field force travel, car hire, taxis and mileage from staff cars, rail and air on official business.
2. Construction waste is excluded from the waste figures as it is out of scope of the Greening Government Commitments.
3. There is no target to reduce expenditure as expenditure depends on a number of factors, of which consumption is only one.
4. Consumption in kilowatt hours is a recognised measure but the target is based on the tonnes of Carbon Dioxide emitted.
5. Target adjusted downwards as a result of confirming 09/10 baselines with DEFRA.

## Greenhouse Gas Emissions

The Authority has the following Greening in Government targets set by Central Government:

- cut greenhouse gas emissions from the whole estate by 25 per cent by 31 March 2015 as compared with the 2009/10 baseline;
- cut greenhouse gas emissions from business related transport by 25 per cent by 31 March 2015 as compared with the 2009/10 baseline; and
- cut domestic business flights by 20 per cent by 31 March 2015 from 2009/10 baseline.

The excellent performance to date with regard to buildings emissions has been achieved through a number of measures that were introduced in earlier years. These include improving the thermal performance of the Newport building through installation of double glazed windows and installing new boilers at Newport and Titchfield. New building management systems were installed in Newport and Titchfield during 2012/13.

Carbon emissions from road vehicles come from two sources: travel between offices and other locations on day to day administrative business, and travel required by the field force to conduct surveys. The Authority were expecting to have difficulty in meeting the target set by Central Government due to the large field force required for business purposes. Although the 2015 performance target has been achieved this year, success in securing additional contracts for carrying out surveys going forward could mean that carbon emissions from vehicles rise again in future years.

In 2009/10 there were 1,517 domestic flights and the target performance for 2015 is 1,214. In 2012/13 there were 364 flights which means the Authority is well below the required performance standard.

**Table 2: Greenhouse Gas emissions, energy consumption and travel on official business**

| Greenhouse Gas Emissions                            |  | 2009/10    | 2010/11    | 2011/12    | 2012/13   |
|---|--|------------|------------|------------|-----------|
| Non-Financial Indicators<br>(tonnes Carbon Dioxide) | Total Building Emissions                   | 7,105      | 6,165      | 4,719      | 4,090     |
|   | Total Emissions Road Vehicles <sup>1</sup> | 2,881      | 2,963      | 4,842      | 1,684     |
|   | Total Emissions Rail Travel                | 184        | 147        | 132        | 155       |
|   | Total Emissions Air Travel                 | 391        | 257        | 202        | 191       |
| Energy consumption<br>('000 kilowatt hours)         | Electricity                                | 9,530      | 8,781      | 7,583      | 6,429     |
|   | Gas  | 10,424     | 7,476      | 3,486      | 3,681     |
|   | Bio Fuels                                  | 0          | 364        | 1,304      | 1,440     |
|   | Oil  | 0          | 647        | 200        | 21        |
|   | Total Buildings Energy Consumption         | 19,954     | 17,268     | 12,573     | 11,571    |
| Financial Indicators<br>(£'000)                     | Total Expenditure on Energy                | 1,633      | 1,075      | 1,068      | 889       |
|   | CRC Gross Expenditure (2010 onwards)       | 0          | 3          | 69         | 67        |
| Kilometers travelled                                | Road Travel                                | 13,074,156 | 13,352,896 | 24,245,763 | 8,557,111 |
|   | Rail Travel                                | 3,058,182  | 2,435,697  | 2,171,871  | 2,569,791 |
|   | Air Travel (Domestic)                      | 572,962    | 530,410    | 430,275    | 243,223   |
|   | Air Travel (Short Haul)                    | 1,139,084  | 513,411    | 596,365    | 561,681   |
|   | Air Travel (Long Haul) <sup>2</sup>        | 1,126,975  | 809,121    | 417,982    | 563,275   |

**Notes**

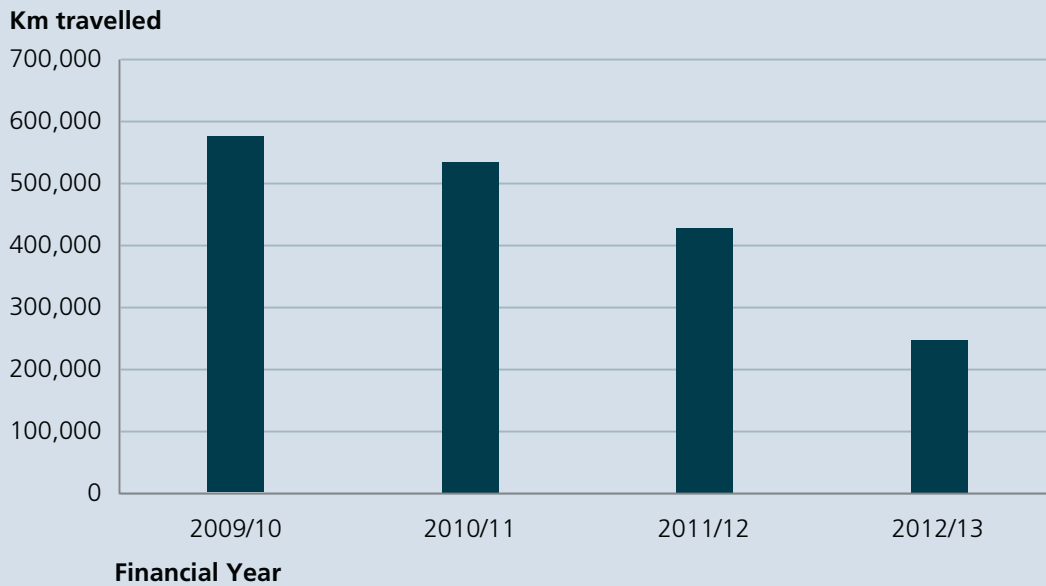
1. Total emissions from road vehicles increased significantly in 2011/12 due to the 2011 Census.
2. There has been a significant increase in international work (including China) in 2012/13.

**Graph 1: Greenhouse Gas Emissions**

**Tonnes of CO<sup>2</sup>**



**Graph 2: Domestic Air Travel**



## **Waste**

The Authority has the following Greening in Government targets set by Central Government:

- cut the amount of waste generated by 31 March 2015 by 25 per cent as compared with the 2009/10 baseline; and
- ensure that all redundant information and communications technology (ICT) equipment is re-used or recycled responsibly.

Although waste is re-used and recycled, the target is aimed at reducing the amount of waste generated and this is difficult to achieve. Negotiations are ongoing with suppliers in our facilities management contract to see if they can reduce packaging that leads to waste. A new printing solution is currently being evaluated which, if it delivers savings seen in other organisations, could reduce the amount of waste paper produced by up to 20 per cent. All ICT equipment is disposed of via an established contract which helps to ensure that all redundant ICT equipment is re-used or recycled responsibly.



**Table 3: Waste**

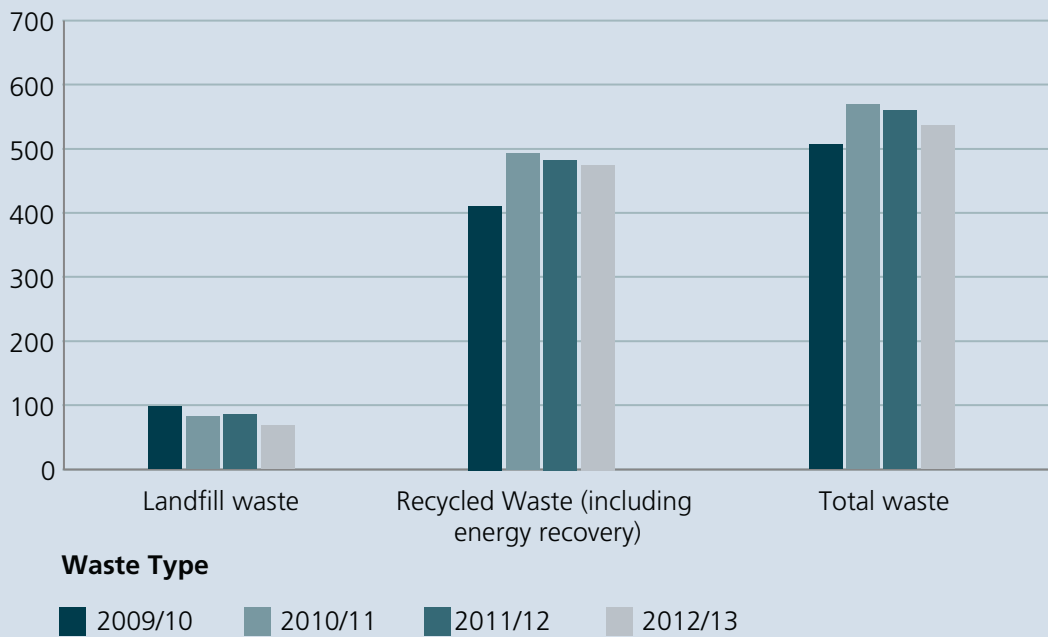
| Waste                             |  | 2009/10 <sup>1</sup> | 2010/11    | 2011/12    | 2012/13    |
|-----------------------------------|--|----------------------|------------|------------|------------|
| Non-Financial Indicators (tonnes) | Landfill Waste                             | 121                  | 81         | 84         | 68         |
|                                   | Recycled Waste (including energy recovery) | 536                  | 493        | 483        | 475        |
|                                   | <b>Total Waste</b>                         | <b>657</b>           | <b>574</b> | <b>567</b> | <b>543</b> |
| Non-Financial Indicators (%)      | Total Waste Recycled                       | 82                   | 86         | 85         | 87         |
| Paper usage (A4 ream equivalent)  | Total reams used                           | N/A                  | 48,701     | 42,210     | 37,902     |
| Financial Indicators (£'000)      | Total waste disposal costs                 | 57                   | 92         | 74         | 69         |

**Notes**

1. Figures for 2009/10 have been adjusted following baselines being agreed with Cabinet office.

**Graph 3: Waste Volumes**

**Tonnes of waste**



## Water

The Authority has the following Greening in Government targets set by Central Government:

- cut the amount of water used in the whole estate to below 2009/10 levels by 2015; and
- meet the good practice benchmark of between 4m<sup>3</sup> and 6m<sup>3</sup> per FTE per annum on the office estate.

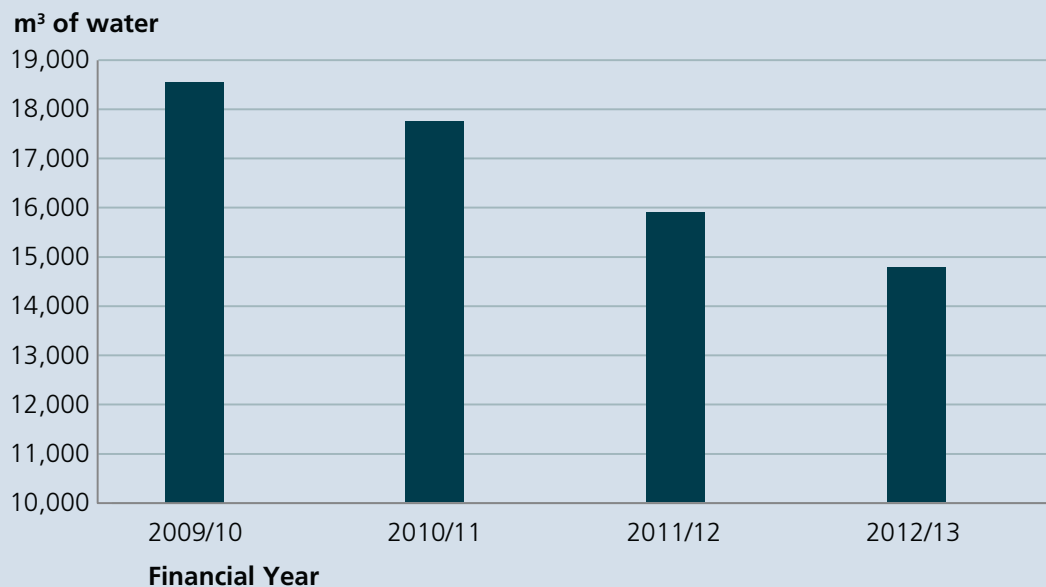
The 2015 target of reducing consumption to below 2009/10 levels has already been met due to the installation of a rainwater harvesting system at Newport at the end of 2010/11.

During 2012/13 the Authority met the good benchmark figure of between 4m<sup>3</sup> and 6m<sup>3</sup> for the first time.

**Table 4: Water**

| Water                                   |                     | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
|---|---------------------|---------|---------|---------|---------|
| Non Financial Indicators (cubic metres) | Consumption         | 18,526  | 17,740  | 15,892  | 14,764  |
|   | M <sup>3</sup> /FTE | 6.0     | 6.1     | 6.2     | 5.8     |
| Financial Indicators (£'000)            | Costs               | 62      | 55      | 68      | 83      |

**Graph 4: Water Consumption**



## Bio-diversity

The Authority does not have any responsibility for Sites of Special Scientific Interest but takes such action as it can to promote, conserve and enhance bio-diversity for example by specification of environmentally friendly measures of control in its grounds maintenance contract, maintaining and planting trees and having 'wild' spaces.

## Sustainable Procurement

The Authority has embedded objectives into appropriate staff performance agreements, introduced Government Buying Standards into contracts, engaged with all suppliers and reached Level 2 of the Flexible Framework tool for Sustainable Development.

The Authority has made some progress on the aspiration to award 25 per cent of contracts to SMEs. As at 31 March 2013, 8 per cent of contracts had been awarded to companies of this size. The Authority is finding it difficult to achieve the 25 per cent because a significant number of contracts are placed using the Government Buying Standards conduit and these tend to be with larger companies.

## 5.9 STAFF INFORMATION

The table below shows a reduction in headcount and full time equivalent staff working for the Authority between March 2012 and March 2013.

|            | UK Statistics Authority |                      | Of which ONS |                      |
|------------|-------------------------|----------------------|--------------|----------------------|
|            | Head Count              | Full time Equivalent | Head Count   | Full time Equivalent |
| March 2012 | 3,663                   | 2,991                | 3,609        | 2,939                |
| March 2013 | 3,545                   | 2,907                | 3,486        | 2,850                |

### Note

Staff on Suspended Assignment and not paid are excluded from these figures

Average sickness absence levels rose slightly to a peak of 8.4 Average Working Days Lost (AWDL) in March 2013 from 8.1 in March 2012. To proactively address this issue we have appointed Attendance Improvement leads in each business area along with an Attendance Improvement Group who are working with management across the organisation to identify issues behind absence and help reduce the rise. They offer support as well as occupational health advice and promote health initiatives as well as course to assist managers in identifying causes of stress

### Progress against Senior Civil Service (SCS) and Senior Management Grade Targets for 2013

In 2008 ONS agreed a series of representation targets with the Cabinet Office and we have been working towards achieving them by 2013. We recognise it is likely to take several more years to attain them and have in place both a gender and disability action plan to progress positive change. It is worth noting that as headcount is low at both SCS and Grade 6 level, one person (more or less) can significantly impact the figures.

| SCS Measures  | % Targets for 2013 | % Actual at March 2013 |
|---|--------------------|------------------------|
| Females in Top Management (TMP) payband 2 and above | 40                 | 20                     |
| Females in SCS                                      | 40                 | 28                     |
| Ethnic minority in SCS                              | 2                  | 0                      |
| Disabled in SCS                                     | 2                  | 3                      |
| <b>Grade 6</b>                                      |                    |                        |
| Females in Grade 6                                  | 45                 | 45                     |
| Ethnic minority in Grade 6                          | 5                  | 2                      |
| Disabled in Grade 6                                 | 5                  | 4                      |
| <b>Grade 7</b>                                      |                    |                        |
| Females in Grade 7                                  | 44                 | 40                     |
| Ethnic minority in Grade 7                          | 4                  | 1                      |
| Disabled in Grade 7                                 | 3                  | 3                      |

#### Notes

Staff counts figures from Quarterly Public Sector Employment output.  
Sick absence data from Cabinet Office Return April 2012 to March 2013.

## 5.10 CORPORATE AND SOCIAL RESPONSIBILITY

Our Corporate Social Responsibility policy supports staff taking up to three days' paid special leave per calendar year to undertake volunteering in line with our objectives and Civil Service policy.

In Newport we work with Business in the Community, a business led charity and we are expanding our corporate social responsibility activities with communities across Newport benefitting. In Titchfield we work with the local business community through the Segensworth Business Forum which is a group that represents the interests, concerns and issues of businesses on the Segensworth Industrial Estates. Examples of some of our activities in 2012/13 include:

- Creating a garden with raised beds and paths at a local community centre;
- Making bird and mini beast hotels for the RSPB who are working on the living classrooms project for junior schools;
- World of work awareness work shops for Bettws and Duffryn High Schools;
- Mentoring pupils at St David's Primary School and Duffryn High School;
- Clearing land and creating a garden with flower beds for the Solas charity that helps young people at risk of becoming homeless; and
- ONS Newport staff in partnership with Mitie raised funds to provide an onsite Christmas lunch with gifts for elderly ex servicemen nominated by the Royal British Legion.

## 5.11 INFORMATION ASSURANCE

In order to fulfil ONS' key objective to produce statistics that inform the public about social and economic matters and that assist in public policy making, we source information from both businesses and individuals. Often, the information we collect

from them is both personal and confidential and we continue to take steps to improve our culture of statistical confidentiality and information security, and to strengthen the technical measures we have in place to protect the information we hold.

Following the independent review of our information security by Communication-Electronic Security Group (the national technical authority for information assurance) at the beginning of the year, and based on recommendations from that review, we have initiated a comprehensive programme of work to further strengthen our information assurance position. This work is overseen at the highest levels of the organisation and good progress has been made with all key objectives either on track or complete.

The rolling programme of information systems security accreditation continues ensuring that information assurance issues are routinely reassessed helping to maintain and enhance security across the organisation. The 2011 Census programme is now complete and work on the Beyond 2011 is underway, considering potential options to carry Census work on into the future. An enhanced security working environment has been developed in order to progress this work in cooperation with other Government departments. This work may result in a significantly different approach to future Census data collation.

As part of our information governance regime, staff have completed both e-learning training in Information Security and signed a confidentiality declaration detailing their obligations under the Code of Practice for Official Statistics.

We suffered the loss of five laptops in the last year; a significant reduction on the previous year's thirteen. All were lost or stolen in the course of normal off-site duties, and the encryption with which all our laptops are built, along with the strict rules on the use of laptops ensures that personal information is secure.

## 5.12 DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as the Principal Accounting Officer is aware:

- there is no relevant audit information of which the Authority's auditors are unaware; and
- she has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the Authority's auditors are aware of that information.



**Jil Matheson**

**Principal Accounting Officer**

UK Statistics Authority

28 June 2013

# Chapter 6

## UK Statistics Authority Annual Accounts

### STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the *Government Resources and Accounts Act 2000*, HM Treasury has directed the UK Statistics Authority to prepare, for each financial year, resource accounts detailing the resources required, held or disposed of during the year and the use of resources by the department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of the affairs of the Authority and of its net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Principal Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and

- prepare the accounts on a going concern basis.

HM Treasury has appointed the Permanent Head of the Authority as Principal Accounting Officer of the Authority. In addition, HM Treasury has appointed a Secondary Accounting Officer, the Director General of the Office for National Statistics to be accountable for that part of the Authority's accounts relating to ONS for resources and the associated assets, liabilities and cash flows. This appointment does not detract from the Head of the Authority's overall responsibility as Accounting Officer for the Authority's accounts.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the UK Statistics Authority's assets, are set out in *Managing Public Money* published by HM Treasury.

## **GOVERNANCE STATEMENT 2012/13**

### **Accounting Officer's Introduction**

I am pleased to introduce the Governance Statement for 2012/13, which sets out the UK Statistics Authority's approach to corporate governance.

HM Treasury's Managing Public Money (MPM) guidance summarises the purpose of the Governance Statement as being to record the stewardship of the organisation to supplement the accounts. The following statement describes the challenges we have faced over the last year and how we have overcome them. It also looks forward to the future detailing what we intend to do to respond to the new challenges we face.

### **Accounting Officer's scope of responsibilities**

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievements of the UK Statistics Authority's objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible in accordance with the responsibilities assigned to me in HM Treasury's "Managing Public Money".

### **Reviewing the past year and responding to our challenges**

2012/13 has not been an easy year for our organisation. We, along with other public sector organisations, have faced significant financial pressures but continue to strive to meet our stakeholders' expectations and deliver official statistics that are independent, meet our quality standards and serve the public good.

In addition to the external challenges facing the organisation, we have seen significant changes take place within the ONS leadership team. This has included the appointment of a new Director General and three new Directors following changes to the structure and design of the organisation. Throughout the year work has been undertaken to embed these changes and build a high performance leadership team.

In response to the challenges outlined in last year's Governance Statement, we continue to meet the demand for information which is relevant, up-to-date and published in a timely way. This has taken place against a backdrop of rising stakeholder expectation, increased complexity and transparency. In response to the complexity of financial markets, the changing social structure of family and kinships, population ageing and migration flows we have striven to provide robust information and evidence to influence policy development across government, and inform public debate.

In response to widespread criticism, we have worked hard to improve the ONS website, listening to our users to facilitate change and quality-assure the process. There is still some way to go to ensure the site meets the standards we aspire to and the expectations of users. However, we have already put in place a number of changes in order to enhance performance. These have included improvements to the search facility, the launch of data visualisation tools and better signposting to help navigate the website more easily and effectively.

One of our major development programmes, Beyond 2011, is looking at options for how we might produce detailed population and socio-demographic statistics in the future. We are testing new models and evaluating our success along the way. This work



is ground-breaking with significant implications for the way ONS will deliver its business in the future. Its success is contingent upon delivering innovation across a number of fronts including the use of administrative data and electronic data collection.

One of our key challenges throughout the year has been to improve staff engagement levels and to enhance leadership capability to support organisational change. This work will remain a key priority for some time into the future as we recognise the scale of the challenge and focus upon becoming an exemplar organisation across government. To date, we have seen small, incremental improvements to our annual engagement score, but at 57 per cent this is still one percent point below the civil service average. Having launched our leadership development programme in the autumn of 2012 we are currently developing a new approach to consolidate this initial phase and improve change management capability.

At the end of March 2013, ONS launched its ten year strategy to deliver a new vision for the future. All programmes of work over the next decade will be delivered as part of the strategy and designed to deliver changes consistent with becoming an outstanding provider of statistical information/services.

### **The Governance Framework and Structure**

Corporate governance is the system used to direct, manage and monitor an organisation and enable it to relate to its external environment. The fundamental principles of corporate governance, to which the Authority is fully committed, are openness, inclusivity, integrity and accountability. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks faced by the Authority. Its purpose is to evaluate the likelihood of those risks being realised and the impact should this happen. This information allows the authority to manage its risks efficiently, effectively and economically.

The system of internal control in place throughout the year, and which continues in the Authority, accords with HM Treasury guidance.

The full committee structure and information on meetings held through 2012/13 are set out in Chapter 1 of the Annual Report.

Minutes from all Authority Board meetings can be found on the UK Statistics Authority website at <http://www.statisticsauthority.gov.uk/about-the-authority/board-and-committees-documentation/minutes-and-papers/index.html>

### **The Risk and Control Framework**

The Authority Board and Audit Committee have primary responsibility for identifying and monitoring the key risks faced by the Authority. Sub committees have delegated responsibility for risks relevant to their Terms of Reference and the ONS Executive Leadership Team has responsibility for ONS operational and strategic risks.

The Board delegates the responsibility of assurance for the risk management process to the Audit Committee, with the Audit Committee reporting back to the Board after each meeting. All members of the Audit Committee, including the Chair, are Non-Executive. The Committee, in conjunction with our internal auditors, is responsible for providing assurance to the Board and to me as the Accounting Officer of the existence and effectiveness of the overall processes for managing risk within the Authority.

Throughout 2012/13 significant work has been undertaken to further develop and refine the Corporate Assurance Map in accordance with best practice.

The Assurance Map provides a comprehensive profile of the controls in place to manage and mitigate risk. It allows the Authority to assess and evaluate the level of its resource investment to manage and control its risks.

In addition, the Assurance Map:

- ensures that sources of assurance are appropriately reported in accordance with the Audit Committee Terms of Reference;
- considers the extent of assurance over processes and risks;
- informs internal audit planning through the identification of assurance provided from other sources to avoid duplication and identify potential assurance gaps; and
- informs the annual Governance Statement.

Following a successful pilot in 2011/12, the Directors General, Directors and Deputy Directors (the senior civil service) have been required systematically to review their own internal controls through Corporate Governance Assurance Statements (CGAS). The process requires evidence of compliance to be made available and includes a review and scrutiny process.

CGAS provides assurance that the UK Statistics Authority can respond effectively to significant business, operational and financial risks or changes and justify the basis on which it proceeds.

During the year the Authority has participated in the National Fraud Initiative (NFI) which was initiated by the Audit Commission. We provided current employee payroll data and creditors and supplier history data for the last three and a half years which was matched with other NFI participants (e.g. HMRC, DWP). A series of reports were received identifying any matches indicating possible fraud or error. These were prioritised and investigated and no issues were identified.

The Counter Fraud and Corruption e-learning training package delivered by Civil Service Learning was launched across the organisation during the year as a mandatory requirement. In addition, a series of fraud awareness presentations were held to raise awareness and promote the completion of this mandatory training.

The number of fraud cases referred to the Fraud Team during 2012/13 decreased from sixteen in 2011/12 to just four. It is believed that the continued promotion of the organisations zero tolerance stance to fraud, provision of training and updated Fraud, Bribery and Corruption policy has played a significant part in the reduction of cases being reported. Following review of the referrals received during 2012/13 and

the positive outcome of the NFI exercise, the level of fraud risk within the organisation remains low.

### **Statement of Information Risk**

I and the Authority realise that assets containing business and personal information need to be handled lawfully, accurately and securely. As Accounting Officer I have ensured that the Authority has complied with its statutory obligations. I have received comprehensive and reliable assurance from managers, Internal Audit and my Senior Information Risk Owner that the information risks are being managed effectively. The organisation continues to build on its strong cultural understanding of the need to handle assets correctly. Our Information Assurance Project has ensured that all staff completed mandatory training, and awareness of security issues continues to be raised through presentations, joint awareness weeks (which have been managed in conjunction with other government departments) and the publication of a framework of policies and procedures. The project reached a significant milestone in March 2013 following an independent review completed by the Government's National Technical Authority for Information Assurance (IA). This confirmed that the office has successfully achieved Information Assurance Maturity Level 1. There have been no incidents regarding information security notified to the Information Commissioner.

### **Review of effectiveness**

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of senior managers, the annual report of the Head of Internal Audit and also by comments made by the external auditors and other review agencies and bodies. The process for maintaining and reviewing the effectiveness of the system of internal control within the Authority is:

- annual reviews by Internal Audit of the Authority's key financial systems and the internal controls in operation within each business area against known and emerging risks;
- annual business planning to align developments against strategic objectives;
- meetings of the Audit Committee to consider the work of, and recommendations made by, the Internal and External Auditors and other review bodies;
- meetings of the ONS Board, the Committee for Official Statistics and the Assessment Committee to regularly review relevant risks;
- meetings of the ONS Executive Leadership Team where they challenge Directors and Deputy Directors on how they are managing the identified high risks facing the Authority;
- annual reviews of the Authority's financial accounts and supporting systems by the External Auditors leading to their opinion as published in the year-end statements;
- annual reviews and updates of the Authority's financial regulations;
- governance based statements from Directors and their Deputies;
- annual review of the risk management framework; and

- during 2012/13 the Authority published 11 assessment reports covering 47 sets of ONS statistics.

### **The opinion of the Chair of the Audit Committee is:**

It is my opinion that the Accounting Officer can take a good degree of assurance that the governance structure is sound, and risk management and the control regime are robust and functioning effectively.

### **Statement from Head of Internal Audit**

Internal Audit presents a risk based audit strategy for its work that was agreed by the Committee and reviewed periodically during the year.

The Head of Internal Audit has provided a satisfactory audit opinion for Governance, Risk Management and Internal Control for the 12 months ended 31 March 2013 based on the Internal Audit work undertaken.

34 audit reviews were undertaken during the year of which ten received the highest audit opinion of 'good/good progress' and 15 had a 'satisfactory' audit opinion. Although nine audit reports this year resulted in an improvement required audit opinion, detailed follow up of four of these reports confirmed that action had been taken to address the issues and all recommendations had either been implemented in full or were in the process of being implemented by the year end. For each of the remaining five areas, all recommendations have been agreed by management and action plans are in place to address the issues identified in a timely manner. The recommendation tracking process has also identified a greater level of implementation of the audit recommendations by the agreed timescale.

There have been no reviews in 2012/13 that have warranted an 'unacceptable' audit opinion.

### **Review of the effectiveness of the Audit Committee**

The Audit Committee is constituted in accordance with HMT guidance. In accordance with its terms of reference, the Audit Committee held a workshop on 14 March 2013 to review its effectiveness. The Committee also considered its information requirements and agreed how it might best focus its work during 2013/14.

### **Challenges and successes in 2012/13**

The following challenges have impacted on the Authority during the year. Action has been undertaken in all areas but we continue to face challenges for the year ahead and will need to continue investing in the presentation of statistics, technology and staff. These needs are reflected in new strategies for the Authority, the Government Statistical Service (GSS) and the Office for National Statistics (ONS) that have been developed and published this year.

In order to meet the Code of Practice we are required to publish our statistics to an agreed timetable. During 2012/13, due to the web system capability being insufficient to handle the high volume of publications, and the size of some data sets, there were a small number of statistics that were not released at the scheduled time. This is now decreasing due to improvements that have been made to the web systems. We will

continue to make improvements in this area and aim to meet the Code of Practice at all times.

We, along with other government departments are facing cuts to our budget that pose risks. In response to this, we have reviewed our processes and procedures to improve productivity and also made the decision to stop the production of some statistical outputs. We will continue with an ambitious efficiency programme in order to drive down our cost base and continue providing value for money for the taxpayer.

During the year we have been working with Eurostat to resolve issues with the evidence required to support our claims for grant funding. Eurostat undertakes “ex-ante” controls which are in effect audits of the grant claims that we have submitted. In a small number of cases the detailed information required to support the grant claim has not been available. This has been, in the main, due to the nature of the expenditure incurred and primarily relates to work undertaken by our interviewers and field force operations. We continue to work with Eurostat to resolve the payment of historical grant claims. In addition we have implemented revised policy and procedures and now have a strong control environment in place to ensure that the organisation is now compliant with the guidance set out by Eurostat.

This last year has also seen the introduction of two new measures of consumer price inflation: CPIH (a new measure which includes owner occupiers’ housing costs) and RPIJ (any improved variant of the Retail Prices Index (RPI) calculated using formulae that meet international standards).

The introduction of CPIH follows many years of development work and meets long held user needs for a Consumer Prices Index (CPI) type measure which includes the costs owner occupiers face when living in and maintaining their homes. In addition, ONS is continuing to work with Eurostat on developing a method for a harmonised measurement of owner occupiers’ costs across the EU. The new RPIJ meets international requirements and we will continue to publish the existing RPI which is still widely valued by users. In 2013 the Authority removed the National Statistics designation of the RPI.

Maintaining quality during 2012/13 as statistics come under ever more scrutiny, and as society and the economy change, has been a challenge and we have put in place a number of scrutiny measures to address this. We have reintroduced the National Statistics Quality Reviews (NSQRs) which will ensure that the methods being used are consistent with best practice and give assurance to users. The initial review in 2013/14 will be on Labour Market Statistics and the second on National Accounts.

We have used ‘Value Engineering’ this year in order to complete an internal assessment of the risks associated with all statistical outputs. The approach has provided a high level picture of the risks and enabled a free and frank exchange of views on our strengths and vulnerabilities. This helps us prioritise strategic developments, including process improvements, methods reviews and investment in systems. We intend to complete this exercise annually.

Throughout the year we have published numerous statistics and releases. These include Crime and House Price Statistics (following their successful transfer to the ONS), statistics on National Wellbeing and various outputs from the 2011 Census. The

first Census outputs were released in July and have been well received, as have our numerous data visualisation tools which cover not just the Census and the population, but also the economy, wellbeing, the labour market and even the Olympics. These tools have helped our users see our data in a new light.

A final innovation this year has been our Portfolio Delivery Unit. During the year the unit has been recognised by the Cabinet Office Major Projects Authority as an exemplar of good practice for portfolio management and we will look to further develop in this area.

### **Challenges for the year ahead**

As our ever changing society becomes more complex and data more transparent we must ensure that our statistics remain relevant and up to date over the coming years. We aim to ensure that the right range of statistics is produced, high and consistent professional standards are maintained, and official statistics are well explained, leading to better decision-making in the public interest.

Continuing to improve our website along with the quality and presentation of statistics, as well as the associated commentary, will be a key focus for us. We will review economic statistics in order to ensure they best meet future needs and we will publish a development plan for National Accounts. The Beyond 2011 programme will be publishing its research to date and consulting on options for meeting future user needs for population, and small area population socio-demographic statistics.

There will be major shifts in how people receive and manage information and we will look to utilise new tools which help improve efficiency, reduce burden and enhance statistical quality. We will also look for opportunities to develop partnerships and learn from others.

We will continue to seek to maintain the security of the data we hold whilst maximising data use.

The Authority's regulatory function will continue to scrutinise official statistics across government and assess code compliance while the National Statistician's Office will provide leadership and vision for the UK official statistics system.

Specific challenges to note for the year ahead include:

- Increasing efficiency and engagement through Electronic Data Collection
- Compliance with European System of Accounts (ESA) 2010;
- Meeting future needs for population and small area population socio-demographic statistics through Beyond 2011;
- Retaining and developing skills and capability within the organisation;
- Ensuring and maintaining a flexible and efficient workforce that will meet the organisation's objectives through successful workforce planning;
- Increasing the use of administrative data with a consequential reduction in the use of survey data. We will develop the relevant business case prior to the next spending review and engage with stakeholders on the introduction of the necessary legislation;

- Securing funding for key strategic programmes whilst delivering an ambitious efficiency programme.

The intense focus on the economy is likely to continue for the foreseeable future and ONS economic and financial statistics, we anticipate, will come under increased scrutiny. In the current climate we will need to maintain high levels of quality assurance in preparing economic statistics and to pay particular attention to any emerging quality concerns.

Over the course of the next year, we must secure greater workforce engagement to build resilience, optimise productivity and encourage innovation. This work is likely to become the main stay of our approach to building a skilled and motivated workforce able to adapt to tomorrow's challenges.

Finally, we recognise that the years ahead are likely to present a significant financial challenge. Downward pressure on public finances will continue, so we will be seeking efficiencies in how we work and will demonstrate value for money by adopting strong financial management practice.

## **Conclusion**

Throughout the year we have made significant progress on developing our organisation and our ability to deliver. Although we have faced challenges we have also seen great progress and successes that we can be proud of. We continue to evolve and grow as an organisation and address areas that we see as fragile or in need of improvement. It is our enduring drive to overcome our challenges and build on our strengths that we look forward to the future.



**Jil Matheson**

**Principal Accounting Officer  
UK Statistics Authority**

28 June 2013

## REMUNERATION REPORT

### Service Contracts

The Constitutional Reform and Governance Act 2010 require Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at: [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk)

### Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interest of the senior directors and non-executive members of the UK Statistics Authority. The Authority does not make payments in kind. These disclosures have been subject to audit.

#### Remuneration of Executive Directors for the UK Statistics Authority and Office for National Statistics, 2011/12 and 2012/13

| Senior Directors   | 2012/13                                 | 2011/12                    |
|--|---|----------------------------|
| Name and title   | Salary £'000                            | Salary £'000               |
| Jil Matheson<br>National Statistician<br>Fixed term contract 1 September 2012 to 31 August 2015    | 140-145                                 | 140-145                    |
| Glen Watson<br>Director General<br>Office for National Statistics<br>From 1 October 2012           | 100-105<br>plus bonus 5-10              | 95-100<br>plus bonus 5-10  |
| Mr Richard Alldritt<br>Head of Assessment<br>From 1 May 2008                                       | 115-120<br>plus bonus 5-10              | 115-120<br>Plus bonus 5-10 |
| Guy Goodwin<br>Director of Population, Health and Regional<br>From 1 May 2011                      | 85-90                                   | 85-90<br>Plus bonus 5-10   |
| Caron Walker<br>Director of Collection and Production<br>From 1 April 2012                         | 90-95                                   | N/A                        |
| Paul Layland<br>Chief Finance Officer<br>From 5 April 2012   | 65-70                                   | N/A                        |
| Mr Stephen Penneck<br>Director General<br>Office for National Statistics<br>Left 21 September 2012 | 55-60<br>(Full time equivalent 120-125) | 120-125                    |
| Paul Woobey<br>Director of Strategy and Standards<br>From 28 August 2007 to 31 August 2012         | 130 -135                                | 130 -135                   |
| Steve Newman<br>Chief Finance Officer<br>Left 31 July 2012   | 20-25<br>(Full time equivalent 110-115) | 110-115                    |



|  | 2012/13 | 2011/12  |
|--|---------|----------|
| Band of highest paid director's total Remuneration £'000 | 140-145 | 140 -145 |
| Median total remuneration, including census field staff  | N/A     | £17,650  |
| Ratio, including census field staff                      | N/A     | 8.034    |
| Median total remuneration, excluding census field staff  | £25,752 | £17,933  |
| Ratio, excluding census field staff                      | 5.5     | 7.9      |

#### Note

Mr Stephen Penneck announced his retirement and left the Authority on the 21 September 2012.

Mr Glen Watson left his position as Census Director and took up the position of Director General from 1 October 2012, but continues as an Executive Director of ONS.

Mr Paul Woobey, Director of Strategy and Standards, stepped down from his role on the ONS Board on 31 August 2012.

Mr Steven Newman stepped down from his role and left the Authority on the 31 July 2012.

The remuneration costs of census field staff were for a limited period of time during 2011/12.

The profile of staff leaving ONS during 2012/13 led to an increase in the median total remuneration. Whilst the total remuneration decreased between 2011/12 and 2012/13, the median has increased during the same period. This is due to a significant change in the staff profile during 2012/13 with 498 staff leaving the organisation (66% of which earned less than £25,000 and primarily worked in either the field or in the telephone unit of ONS) and a number of statistical roles filled who are paid at a higher rate.

#### The following table identifies all off-payroll engagements at a cost of over £58,000 per annum as at 31 January 2012

|   | 2012/13   |
|---|-----------|
| Number in place on 31 January 2012  | 97        |
| Number that have since come onto the Authority's payroll  | 0         |
| Number that have since been re-negotiated/re-engaged, to include contractual clauses allowing the department to seek assurance as to their tax obligations                    | 97        |
| Number that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the Authority to seek assurance as to their tax obligations | 0         |
| Number that have come to an end   | 37        |
| <b>Total</b>  | <b>60</b> |

#### The following table identifies all new off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and for more than 6 months

|   | 2012/13   |
|---|-----------|
| Number of new engagements   | 31        |
| Number of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and national Insurance obligations | 31        |
| Number for whom assurance has been requested and received   | 19        |
| Number for whom assurance has been requested but not received   | 12        |
| Number that have been terminated as a result of assurance not being received  | 0         |
| <b>Total</b>  | <b>31</b> |

#### Note

The above table shows a number of 12 contractors for whom assurance has been sought but not received. There are timing issues in relation to this, in line with the recommendations, we allow a reasonable period of time for contractors to advise what assurance route they will take and subsequently the evidence of the assurance route they have taken.

Should contractors not provide the assurance evidence within the specified time scales, ONS reserve the right to terminate the agreement in line with the recommendations.

## Remuneration of Non-executive Directors of the UK Statistics Authority, 2011/12 and 2012/13

| Non-executive members   | 2012/13      | 2011/12      |
|---|--------------|--------------|
| Name and title  | Salary £'000 | Salary £'000 |
| Sir Andrew Dilnot CBE<br>Chair of UK Statistics Authority<br>Fixed contract 1 April 2012 to<br>31 March 2017                          | 70-75        | N/A          |
| Professor Sir Adrian Smith<br>Deputy Chair (ONS)<br>Fixed contract 1 September 2012 to<br>31 August 2015                              | 15-20        | N/A          |
| Lord David Rowe-Beddoe<br>Deputy Chair (ONS)<br>Fixed contract 1 February 2012 to<br>31 August 2012                                   | 15-20        | 35-40        |
| Mr Partha Dasgupta<br>Non-Executive Director<br>Fixed contract 1 February 2013 to<br>31 January 2016                                  | 15-20        | 15-20        |
| Professor David Rhind<br>Non-Executive Director<br>Deputy Chair (Statistical System)<br>Fixed contract 1 July 2012 to<br>30 June 2015 | 25-30        | 20-25        |
| Dame Moira Gibb<br>Non-Executive Director<br>Fixed contract 1 February 2013 to<br>31 January 2016                                     | 15-20        | 15-20        |
| Dr David Levy<br>Non-Executive Director<br>Fixed contract 1 August 2012 to<br>31 July 2014  | 10-15        | N/A          |
| Dr Colette Bowe<br>Non-Executive Director<br>Fixed contract 01 February 2013<br>to 31 January 2016                                    | 15-20        | 20-25        |
| Sir Jon Shortidge<br>Non-Executive Director<br>To 31 October 2012   | 10-15        | 20-25        |

### Salary

Non-executive members are paid a fee plus expenses and have no pension entitlement.

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Authority and thus recorded in these accounts.

The Remuneration Committee concluded the pay arrangements for the UK Statistics Authority senior directors. The committee consists of:

- Chair – Sir Andrew Dilnot  
From April 2012 (Chair from September 2012)
- Jil Matheson  
From September 2009
- Professor David Rhind  
From July 2012

- Professor Sir Adrian Smith  
From September 2012
- Dr Collette Bowe  
From April 2012 to June 2012
- Lord David Rowe Beddoe  
From February 2008 to August 2012 (Chair)

The UK Statistics Authority Senior Civil Service (SCS) Salary arrangements follow the guidance set by Cabinet Office in response to the Senior Salaries Review Body. SCS Pay is made up of two elements – a consolidated increase to Base Pay and a non-consolidated bonus payment. Both elements are performance related – whether they are payable and the value of them is determined by an individual’s performance in the previous appraisal year.

The remuneration for Ms Matheson, as National Statistician, is not agreed by the Authority’s Remuneration Committee but is determined separately, and no bonus payments have been made.

This Report is based on payments made by the Authority and thus recorded in these accounts.

### Benefits in Kind

None of the above received benefits in kind.

### Bonus

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses paid relate to the performance during the previous appraisal year. The bonuses reported in 2012/13 relate to performance in 2011/12 and the comparative bonuses reported for 2011/12 relate to the performance in 2010/11.

### Pension Benefits

#### Pension Benefits for Executive Directors of the UK Statistics Authority and Office for National Statistics

| Senior Directors  | Real increase in pension and related lump sum at age 60 | Accrued pension at age 60 as at 31.03.13 and related lump sum | Cash Equivalent Transfer Value at 31.03.12 | Cash Equivalent Transfer Value at 31.03.13 | Real Increase in Cash Equivalent Transfer Value |
|---|---|---|--|--|---|
|   | £'000   | £'000   | £'000                                      | £'000                                      | £'000   |
| Jil Matheson<br>National Statistician                         | 0–2.5<br>plus 0–2.5<br>lump sum                         | 65–70<br>plus 195–200<br>lump sum                             | 1,414                                      | 1,497                                      | 3   |
| Richard Alldritt<br>Head of Assessment                        | 2.5–5.0<br>lump sum nil                                 | 75–80   | 749  | 1,415                                      | 73  |
| Paul Woobey<br>Director of Strategy<br>and Standards          | 2.5–5.0<br>lump sum nil                                 | 15–20   | 200  | 261  | 29  |
| Guy Goodwin<br>Director of Population,<br>Health and Regional | 0–2.5<br>plus 0–2.5<br>lump sum                         | 25–30<br>plus 75–80<br>lump sum                               | 400  | 429  | 5   |

| Senior Directors   | Real increase in pension and related lump sum at age 60 | Accrued pension at age 60 as at 31.03.13 and related lump sum | Cash Equivalent Transfer Value at 31.03.12 | Cash Equivalent Transfer Value at 31.03.13 | Real Increase in Cash Equivalent Transfer Value |
|--|---|---|--|--|---|
|  | £'000   | £'000   | £'000                                      | £'000                                      | £'000   |
| Glen Watson<br>Director General<br>Office for National<br>Statistics | 0–2.5<br>plus 5.0–7.5<br>lump sum                       | 25–30<br>plus 85–90<br>lump sum                               | 433  | 491  | 32  |
| Caron Walker<br>Director of Collection<br>and Production             | 0–2.5<br>plus 2.5–5.0<br>lump sum                       | 35–40<br>plus 105–110<br>lump sum                             | 626  | 675  | 13  |
| Paul Layland<br>Chief Finance Officer                                | 0–2.5<br>plus 5.0–7.5<br>lump sum                       | 9–10<br>plus 25–30<br>lump sum                                | 27   | 115  | 23  |

The posts held by the non-executive members of the UK Statistics Authority are non pensionable.

## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 1.5% and 3.9% pensionable earnings for **classic** and 3.5% and 5.9% for **premium**, **classic plus** and **nuvos**. Increases to employee contributions will apply from 1 April 2013. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further

0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **Compensation for loss of office**

Steve Newman left under voluntary exit terms on 31 July 2012 and Stephen Penneck left under voluntary exit terms on 21 September 2012. Under the Civil Service Compensation Scheme each received a compensation payment within the range of £60,000-65,000.



**Ms Jil Matheson**

**Principal Accounting Officer**

**UK Statistics Authority**

28 June 2013

# The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the Statistics Board (referred to as the UK Statistics Authority) for the year ended 31 March 2013 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. I have also audited the Statement of Parliamentary Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## **Opinion on regularity**

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2013 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2013 and of its net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in Chapter 5 'Corporate and Summary Financial Information' is consistent with the financial statements.

## **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Report**

I have no observations to make on these financial statements.

**Amyas C E Morse**

**Comptroller and Auditor General**

**National Audit Office**

**157-197 Buckingham Palace Road, Victoria, London, SW1W 9SP**

4 July 2013

# Primary Statements to the Accounts

## STATEMENT OF PARLIAMENTARY SUPPLY

### Summary of Resource and Capital Outturn 2012/13

|                                       | Note | Estimate       |           |                | Outturn        |           |                | 2012/13  | 2011/12        |
|---------------------------------------|------|----------------|-----------|----------------|----------------|-----------|----------------|--|----------------|
|                                       |      | Voted          | Non-Voted | Total          | Voted          | Non-Voted | Total          | Voted outturn compared with Estimate: saving/ (excess) | Outturn        |
|                                       |      | £'000          | £'000     | £'000          | £'000          | £'000     | £'000          | £'000  | £'000          |
| <b>Departmental Expenditure Limit</b> |      |                |           |                |                |           |                |  |                |
| – Resource                            | 3    | 184,139        | 0         | 184,139        | 181,109        | 0         | 181,109        | 3,030  | 311,853        |
| – Capital                             |      | 20,500         | 0         | 20,500         | 19,414         | 0         | 19,414         | 1,086  | 19,853         |
| <b>Annually Managed Expenditure</b>   |      |                |           |                |                |           |                |  |                |
| – Resource                            | 3    | 15,161         | 0         | 15,161         | (2,768)        | 0         | (2,768)        | 17,929   | (6,278)        |
| <b>Total</b>                          |      | <b>219,800</b> | <b>0</b>  | <b>219,800</b> | <b>197,755</b> | <b>0</b>  | <b>197,755</b> | <b>22,045</b>  | <b>325,428</b> |
| Total Resource                        |      | 199,300        | 0         | 199,300        | 178,341        | 0         | 178,341        | 20,959   | 305,575        |
| Total Capital                         |      | 20,500         | 0         | 20,500         | 19,414         | 0         | 19,414         | 1,086  | 19,853         |
| <b>Total</b>                          |      | <b>219,800</b> | <b>0</b>  | <b>219,800</b> | <b>197,755</b> | <b>0</b>  | <b>197,755</b> | <b>22,045</b>  | <b>325,428</b> |

### Net Cash Requirement 2012/13

|  | Note | 2012/13  |         | 2012/13  | 2011/12 |
|--|------|----------|---------|--|---------|
|  |      | Estimate | Outturn | Outturn compared with Estimate: saving/ (excess) | Outturn |
|  |      | £'000    | £'000   | £'000  | £'000   |
|  |      | 197,639  | 184,033 | 13,606   | 305,627 |

Figures in the areas outlined in bold are voted totals subject to Parliamentary control.

The Authority's net expenditure is classed as programme costs

The notes on pages 89 to 125 form part of these accounts



## STATEMENT OF COMPREHENSIVE NET EXPENDITURE

For the period to 31 March 2013

|  | Note | 2012/13        | 2011/12        |
|--|------|----------------|----------------|
|  |      | £'000          | £'000          |
| Programme expenditure  |      |                |                |
| Staff  | 5    | 112,912        | 173,495        |
| Other  | 6    | 90,390         | 160,777        |
| Operating Income   | 7    | (24,961)       | (28,697)       |
| <b>Net Operating Costs for the year ending 31 March 2013</b>             |      | <b>178,341</b> | <b>305,575</b> |
| <b>Other Comprehensive Net Expenditure</b>                               |      |                |                |
| Net (gain)/loss on:  |      |                |                |
| – revaluation of property, plant & equipment                             |      | (886)          | 912            |
| – revaluation of intangibles   |      | (109)          | (538)          |
| <b>Total comprehensive expenditure for the year ending 31 March 2013</b> |      | <b>177,346</b> | <b>305,949</b> |

### Reconciliation of Net Operating Costs to Statement of Parliamentary Supply

|  | 2012/13 | 2011/12 |
|--|---------|---------|
|  | Outturn | Outturn |
|  | £'000   | £'000   |
| Total resource outturn in Statement of Parliamentary Supply Budget | 178,341 | 305,575 |
| Net Operating Costs for the year ended 31 March 2013               | 178,341 | 305,575 |

The notes on pages 89 to 125 form part of these accounts

# STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

|  |         | 2012/13  | 2011/12  |
|--|---------|----------|----------|
|  | Note    | £'000    | £'000    |
| <b>Non-current assets:</b>                   |         |          |          |
| Property, plant and equipment                | 8       | 42,528   | 43,016   |
| Intangible assets                            | 9 & 9.1 | 41,153   | 40,945   |
| Financial assets                             | 12      | 99       | 112      |
| <b>Total non-current assets</b>              |         | 83,780   | 84,073   |
| <b>Current assets:</b>                       |         |          |          |
| Trade and other receivables                  | 12      | 2,758    | 5,040    |
| Other current assets                         | 12      | 5,434    | 4,161    |
| Cash and cash equivalents                    | 13      | 3,607    | 5,348    |
| <b>Total current assets</b>                  |         | 11,799   | 14,549   |
| <b>Total assets</b>                          |         | 95,579   | 98,622   |
| <b>Current liabilities:</b>                  |         |          |          |
| Trade and other payables                     | 14      | (32,060) | (39,100) |
| Current early retirement provision           | 15      | (1,449)  | (2,098)  |
| <b>Total current liabilities</b>             |         | (33,509) | (41,198) |
| <b>Total assets less current liabilities</b> |         | 62,070   | 57,424   |
| <b>Non-current liabilities:</b>              |         |          |          |
| Other provisions                             | 15      | (9,132)  | (10,168) |
| Early retirement provision                   | 15      | (2,944)  | (4,027)  |
| <b>Total non-current liabilities</b>         |         | (12,076) | (14,195) |
| <b>Assets less liabilities</b>               |         | 49,994   | 43,229   |
| <b>Taxpayers' equity:</b>                    |         |          |          |
| General fund                                 |         | 38,135   | 32,293   |
| Revaluation reserve                          |         | 11,859   | 10,936   |
| <b>Total equity</b>                          |         | 49,994   | 43,229   |



**Jil Matheson**  
Principal Accounting Officer  
UK Statistics Authority  
28 June 2013

The notes on pages 89 to 125 form part of these accounts

# STATEMENT OF CASH FLOWS

For the period ending 31 March 2013

|   | Note    | 2012/13<br>£'000 | 2011/12<br>£'000 |
|---|---------|------------------|------------------|
| <b>Cash flows from operating activities</b>   |         |                  |                  |
| Net operating costs   | 3       | (178,341)        | (305,575)        |
| Adjustment for non-cash transactions  | 6       | 21,849           | 14,734           |
| Decrease in trade and other receivables   | 12      | 1,022            | 11,700           |
| <i>less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>         |         | 0                | 21               |
| (Decrease/Increase) in trade payables   | 14      | (7,040)          | 2,174            |
| <i>Movements in payables relating to items not passing through the Statement of Comprehensive Expenditure</i>                     | 8, & 14 | 4,198            | (7,908)          |
| Use of provisions   | 15      | (3,837)          | (5,830)          |
| <b>Net cash outflow from operating activities</b>   |         | <b>(162,149)</b> | <b>(290,684)</b> |
| <b>Cash flows from investing activities</b>   |         |                  |                  |
| Purchase of property, plant and equipment   | 8       | (6,457)          | (5,542)          |
| Purchase of intangible assets   | 9 & 9.1 | (15,426)         | (9,401)          |
| <b>Net cash flow from investing activities</b>  |         | <b>(21,883)</b>  | <b>(14,943)</b>  |
| <b>Cash flows from financing activities</b>   |         |                  |                  |
| From the Consolidated Fund (Supply) – current year  |         | 182,291          | 308,625          |
| From the Consolidated Fund (Supply) – prior year  |         | 0                | 0                |
| Advances from the Contingencies Fund  |         | 6,000            | 0                |
| Repayment to Contingencies Fund   |         | (6,000)          | 0                |
| <b>Net Financing</b>  |         | <b>182,291</b>   | <b>308,625</b>   |
| <b>Net (decrease)/increase in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund</b> | 13      | <b>(1,741)</b>   | <b>2,998</b>     |
| <b>Payments of amounts due to the Consolidated Fund</b>   | 13      | <b>0</b>         | <b>0</b>         |
| <b>Net increase in cash and cash equivalents in the period after adjustment for payments to the Consolidated Fund</b>             | 13      | <b>0</b>         | <b>0</b>         |
| <b>Cash and cash equivalents at the beginning of the period</b>   | 13      | <b>5,348</b>     | <b>2,350</b>     |
| <b>Cash and Cash equivalents at the end of the period</b>   | 13      | <b>3,607</b>     | <b>5,348</b>     |

The notes on pages 89 to 125 form part of these accounts

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

For the period ending 31 March 2013

|  | Note | General Fund | Revaluation Reserve | Total Reserves |
|--|------|--------------|---------------------|----------------|
|  |      | £'000        | £'000               | £'000          |
| Balance at 1 April 2011  |      | 31,571       | 11,905              | 43,476         |
| <b>Changes in taxpayers' equity for 2011/12</b>                                |      |              |                     |                |
| Net Parliamentary Funding – drawn down   |      | 308,625      | 0                   | 308,625        |
| Comprehensive expenditure for the year   |      | (305,575)    | 0                   | (305,575)      |
| <b>Non cash adjustments</b>  |      |              |                     |                |
| Non cash charges – auditor's remuneration                                      | 6    | 76           | 0                   | 76             |
| <b>Movements in reserves</b>   |      |              |                     |                |
| Transfers between reserves   |      | 594          | (594)               | 0              |
| Net loss on revaluation of property, plant and equipment                       |      | 0            | (912)               | (912)          |
| Net gain on revaluation of intangible assets                                   |      | 0            | 537                 | 537            |
| Amounts issued from the Consolidated Fund for supply but not spent at year end |      | (5,348)      | 0                   | (5,348)        |
| Deemed supply  |      | 2,350        | 0                   | 2,350          |
| Balance at 31 March 2012   |      | 32,293       | 10,936              | 43,229         |
| <b>Changes in taxpayers' equity for 2012/13</b>                                |      |              |                     |                |
| Net Parliamentary Funding – drawn down   |      | 182,291      | 0                   | 182,291        |
| Advances from the Contingencies Fund   |      | 6,000        | 0                   | 6,000          |
| Repayments to the Contingencies Fund   |      | (6,000)      | 0                   | (6,000)        |
| Comprehensive expenditure for the year   |      | (178,341)    | 0                   | (178,341)      |
| <b>Non cash adjustments</b>  |      |              |                     |                |
| Non cash charges – auditor's remuneration                                      | 6    | 79           | 0                   | 79             |
| <b>Movements in reserves</b>   |      |              |                     |                |
| Transfers between reserves   |      | 72           | (72)                | 0              |
| Net gain on revaluation of property, plant and equipment                       | 8    | 0            | 811                 | 811            |
| Net gain on revaluation of intangible assets                                   | 9    | 0            | 205                 | 205            |
| Impairment of Intangible assets  | 10   | 0            | (96)                | (96)           |
| Impairment of PPE  | 8    | 0            | 75                  | 75             |
| Amounts issued from the Consolidated Fund for supply but not spent at year end |      | (3,607)      | 0                   | (3,607)        |
| Deemed supply  | 13   | 5,348        | 0                   | 5,348          |
| Balance at 31 March 2013   |      | 38,135       | 11,859              | 49,994         |

### Note

The General Fund is used to account for all financial resources, except for capitalised assets.

The Revaluation Reserve records unrealised gains and losses on revaluation of assets.

The notes on pages 89 to 125 form part of these accounts.

# Notes to the Accounts

## 1. STATEMENT OF ACCOUNTING POLICIES AND ACCOUNTING CONVENTION

These financial statements have been prepared in accordance with the 2012/13 Government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the UK Statistics Authority for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Authority are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Authority to prepare two additional primary statements. The *Statement of Parliamentary Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and in-house software.

The Authority is primarily resourced by funds approved by the House of Commons through the annual Supply and Appropriation Act. Resources are drawn down each month to meet expenditure requirements and are credited to the General Fund. The functional currency for the UK Statistics Authority is UK Sterling; the Authority keeps a small balance of money, shopping vouchers and stamps. The Authority also retains a small balance of Euros.

### 1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) assets include land and buildings, computers and associated equipment, office machinery and furniture and fittings.

Civil Estate property is occupied in Newport, Titchfield and Christchurch. The land and buildings are stated at current market value using professional valuations on an annual basis. The annual professional valuation more fully reflects specific local market conditions.

Any expenditure on leasehold assets is stated at current cost by using indices taken from the Authority's publication "Price Index Numbers for Current Cost Accounting". The properties occupied at Titchfield, Christchurch and Newport were professionally valued as at 31 December 2012 by GVA a commercial company which is qualified to undertake these valuations. The valuations are to be prepared in accordance with the appropriate sections of the Practice Statements (PS) and the United Kingdom Practice Statements

(UKPS) contained within the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards.

All other PPE assets are re-valued from the beginning of the quarter of acquisition. These assets are stated at current costs by using indices taken from the Authority's publication Price Index Numbers for Current Cost Accounting.

PPE assets must exceed the capitalisation threshold of £2,000 (including VAT) and have a life greater than one year.

## 1.2 INTANGIBLE ASSETS

Intangible assets consist of software licenses and in-house developed software. Software licenses are not re-valued and are included at depreciated historical cost. In-house developed software is stated at current costs by using indices taken from the Authority's index developed by the Office for National Statistics (ONS) National Accounts Division. Software assets must exceed a capitalisation threshold of £2,000 (including VAT) and have a life greater than one year.

## 1.3 STATISTICAL RECORDS

Statistical information has built up over many years and is stored for reference purposes. No attempt is made to value this data, as there is no realistic way of doing so that would arrive at a meaningful valuation. The cost of storing and maintaining the data has been charged to the Statement of Comprehensive Net Expenditure as incurred.

## 1.4 DEPRECIATION AND AMORTISATION

Depreciation is calculated so as to write off the re-valued cost of assets over the estimated useful economic life on a straight line basis (except where otherwise indicated), as follows:

| Classification              | Depreciation/Amortisation period |
|-----------------------------|----------------------------------|
| Civil Estate Land           | Not depreciated                  |
| Leasehold property          | Over the term of the lease       |
| Freehold property           | Between 6 and 25 years           |
| Computer assets > £50,000   | 7 years                          |
| Computer assets < £50,000   | 4 years                          |
| Office machinery > £50,000  | 7 years                          |
| Office machinery < £50,000  | 4 years                          |
| Furniture and fittings      | 10 years                         |
| In-house developed software | 9 years                          |
| Software licences           | 4 years                          |

For property, plant and equipment a full year's depreciation is charged in the year of acquisition with the exception of building refurbishments where depreciation is charged from the quarter in which the assets are completed. In-house developed software and applications are amortised over a life of 9 years, subject to an annual review, which is charged from the quarter in which the assets are completed. Software licenses are amortised on a reducing balance basis over a life of 4 years. Each group of assets is reviewed annually for impairment.

## **1.5 ASSETS IN THE COURSE OF CONSTRUCTION**

Assets under construction are capitalised where meeting the requirements of IAS 16 or IAS 38 as appropriate and transferred out of assets under construction into the relevant category of PPE or intangibles on completion.

## **1.6 RESEARCH AND DEVELOPMENT**

The Authority undertakes certain research into statistical and survey methodology. Costs are charged to the Statement of Comprehensive Net Expenditure as they arise.

## **1.7 OPERATING INCOME**

Operating income which relates directly to the operating activities of the Authority comprises of invoiced value of services supplied to the private sector, the wider public sector and other government departments. Income represents the value of invoices raised on completion of work and the value of work completed. Prices are calculated in accordance with Managing Public Money published by the Treasury and aim to recover the full economic cost of their production.

## **1.8 FOREIGN EXCHANGE**

The Authority conducts a small number of transactions which are denominated in a foreign currency which are reviewed in accordance with IAS 21 and 39 (derivatives). Transactions, other than Euros, are translated into sterling at the exchange rate ruling on the date of each transaction. Assets and liabilities denominated in Euros are translated into sterling at the exchange rate ruling at the Statement of Financial Position date.

## **1.9 LEASES**

Leases are reviewed in accordance with IAS 17. The total cost of operating leases is expensed in equal instalments over the life of the lease.

## **1.10 FINANCIAL INSTRUMENTS**

The Authority does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables. Trade receivables are recognised less impairment. A provision for impairment is made when there is evidence that the Authority will be unable to collect an amount due in accordance with agreed terms.

## **1.11 PROVISIONS**

The Authority provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of best estimate of the expenditure required to settle the obligation. Where the effect of time value is significant, provisions are discounted at the general rate of -1.8 per cent for a time period up to five years, -1.0 per cent for a time period of six to ten years, and 2.2 per cent for time periods greater than ten years. The discount rate for pension provisions is discounted at the rate of 2.35 per cent; discount rates are published by HM Treasury. These provisions are reviewed each year in accordance with IAS 37.

## **1.12 TRADE RECEIVABLES**

Trade receivables are recognised at fair value less provision for impairment. A provision for impairment of trade receivables is established when there is evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivable.

## **1.13 STAFF COSTS**

Under IAS19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obliged to pay them. This includes the cost of any untaken leave at the year end.

## **1.14 EARLY DEPARTURE COSTS**

The Authority meets the responsibility of additional costs of employees who take voluntary early severance or who retire early by paying the amounts required over the period between early departure and normal retirement date. The Authority provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments which are discounted by the HM Treasury discount rate of 2.35 per cent.

## **1.15 CASH AND CASH EQUIVALENTS**

The Authority holds small balances of cash and cash equivalents in a readily realised form; these include small cash balances, shopping vouchers and postage stamps.



## 1.16 VAT

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

## 1.17 PROGRAMME EXPENDITURE

The Statement of Comprehensive Net Expenditure is analysed between staff, other costs and income. The classification of expenditure and income as programme follows the definition of programme costs set out in HM Treasury Consolidated Budgeting Guidance, and as voted by Parliament in the Treasury's Supply Estimate.

## 1.18 PENSIONS

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes as described in notes to the accounts and in the Authority's Remuneration Report. The defined benefit elements of the schemes are unfunded and are non-contributory, except in respect of dependants' benefits. The Authority recognises the expected costs of these elements on a systematic and rational basis over a period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the Authority recognises the contribution payable for the year.

## 1.19 CONTINGENT LIABILITIES

In addition to contingent liabilities disclosed in accordance with IAS 37, the Authority discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of *Managing Public Money*.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

## **1.20 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY**

The development, selection and disclosure of significant accounting estimates and judgements has been disclosed and agreed with the Audit Committee.

### **Revaluations**

Land and buildings were acquired by the Authority at market value. The Authority re-values its estate on an annual basis. The valuations are prepared in accordance with the appropriate sections of the United Kingdom Practice Statements contained within the Royal Institution of Chartered Surveyors Appraisal Standards. The valuations are therefore an estimate of the estate based on their professional judgement as subject matter experts.

The Authority uses the indexation method (modified historic cost accounting) to adjust the value of its other tangible assets, namely Office Machinery, Computer Hardware and Furniture and Fittings. Index values are provided by ONS to adjust their values to take into consideration market factors. This provides an estimate of their value based on judgements about the economy by ONS.

Increases in valuation are credited to the Revaluation Reserves. Negative revaluations, called impairments are in the first instance written off against previous upward revaluations in reserves. Where no previous revaluation reserves exist, the impairments are written off through the Statement of Comprehensive Net Expenditure.

The indexation method is an estimate as it deals with categories as a whole, without consideration for individual assets.

### **Provisions**

A provision is a reserve to provide against any future loss that may occur, taking into account an anticipated expense, disclosed as a liability on the Statement of Financial Position. The Authority will create a provision in the period the liability becomes apparent and charges the related entry as an expense to the Statement of Comprehensive Net Expenditure in the same period. The Authority has specific provisions based on historical evidence and professional judgements for potential claims.

### **Estates Dilapidations**

The terms of any lease that the Authority has entered into may state that the building should be returned to a fit state to the landlord. At any such time the Authority should consider whether there is any liability to return the property to its original state and commence discussion with the landlord. Negotiations with the landlord will precede any such provision for dilapidations and be based on the estimated cost of returning the property back to its original state.

The accounting treatment for Potential Claims and Dilapidations is to charge the costs to the expenditure account in the accounting period they arise, along with increasing the liability balances held on the Statement of Financial Position. When an actual payment is made relating to these specific entries, the actual payment is made against the provision with no charge to the Expenditure accounts.

## **Discounting of long term provisions**

Where the effect of time value is significant, provisions are discounted at the general rate of -1.59 per cent for a time period up to five years, -0.88 per cent for a time period of six to ten years, and 2.2 per cent for time periods greater than ten years. The discount rate for pension provisions is discounted at the rate of 2.8 per cent; discount rates are published by HM Treasury.

## **Accruals**

Accruals are an accounting principle that records income and expenditure when they occur; ensuring costs are recorded in the same period as the activity, regardless of when cash is exchanged. The term accrual refers to any individual entry recording income and expense in the absence of a cash transaction. These occur throughout the year to ensure monthly reporting is as complete as possible but its primary purpose is to ensure the Annual Accounts represent a true and fair view of the Authority's financial position.

When goods or services are received prior to the financial year end but the invoice is not expected until the following financial year, an accrual is made to ensure that the charge is recognised in the correct accounting period. Other goods and services will require a quote previously provided such as a capital item to be delivered or calculation, such as a timesheet multiplied by the hourly rate for an employment agency accrual.

Holiday and flexi leave pre-payments and accruals are calculated by comparing the expected year end balance against the actual balance at 31 March. The expected balance is calculated by distributing the entitlement evenly over the year taking into consideration the leave year start date for each member of staff. This is compared to the actual balance held; the balance is valued by grade using staff planning rates.

## **1.21 STANDARDS NOT YET ADOPTED**

The following standards have been issued or amended which may have an affect on the Authority. The Authority will consider their impact in detail once they have been adopted by the FReM.

### **IAS 1 Presentation of financial statements (Other Comprehensive Income)**

IAS 1 revisions are subject to consultation with a planned effective date April 2013. The revisions require items of Other Comprehensive Income (OCI) to be grouped on the basis of whether they might be classified from OCI to profit for example, gains or losses on cash flow hedges, gains or losses on property revaluation. This will make it clearer to users what their potential effect on profit or loss will be in future periods, notably in light of improved disclosure of financial instruments and pensions. Amendments will also allow simplified reporting for discontinued operations and OCI tax grouping. The Authority anticipates this will have no material impact on the Financial Statements.

### **IAS 16 Property, Plant and Equipment**

The classification of servicing equipment items such as spare parts, stand-by equipment and servicing equipment are recognised under IAS 16 when they meet the definition of property, plant or equipment. They are otherwise classified as inventory under IAS 2. The FReM is expected to apply this change in full in 2013/14. The Authority anticipates this will have no material impact on the Financial Statements.

**IAS 19 Employee benefits**

IAS 19 revisions are subject to consultation. The amended IAS 19 introduces a number of changes which includes disclosure requirements and modification to the accounting for termination benefits. The Authority anticipates this will have no material impact on the Financial Statements.

**IFRS 13 Fair value measurement**

IFRS 13 seeks to increase consistency and comparability of fair value measurements and related disclosures through a 'fair value hierarchy'. The standard requires fair value to be measured using the most reliable data and inputs available to determine an exit price of an asset or liability. The application of IFRS 13 is subject to further review by HM Treasury and other relevant authorities prior to a process of consultation. The Authority anticipates this will have no material impact on the Financial Statements.

## 2. SEGMENTAL INFORMATION OF EXPENDITURE AND INCOME

The following information is regularly provided in order to inform the decision making by the Executive Leadership Team and the primary Chief Operating Decision Maker (CODM) of the Authority to make decisions regarding planning, resource allocation and income, as well as performance monitoring.

|                            | 2012/13<br>Gross<br>expenditure | 2012/13<br>Income | 2012/13<br>Net<br>expenditure | 2011/12<br>Gross<br>expenditure | 2011/12<br>Income | 2011/12<br>Net<br>expenditure |
|----------------------------|---------------------------------|-------------------|-------------------------------|---------------------------------|-------------------|-------------------------------|
|                            | £'000                           | £'000             | £'000                         | £'000                           | £'000             | £'000                         |
| <b>Reportable Segments</b> |                                 |                   |                               |                                 |                   |                               |
| Census 2011                | 20,634                          | (444)             | 20,190                        | 154,249                         | (2,573)           | 151,676                       |
| Collection & production    | 60,621                          | (12,089)          | 48,532                        | 58,258                          | (13,844)          | 44,414                        |
| Analysis & Dissemination   | 12,492                          | (881)             | 11,611                        | 9,872                           | (3,156)           | 6,716                         |
| Population & Demography    | 7,069                           | (1,491)           | 5,578                         | 7,843                           | (2,002)           | 5,841                         |
| Strategy & Standards       | 25,286                          | (2,878)           | 22,408                        | 24,933                          | (381)             | 24,552                        |
| Beyond 2011                | 5,355                           | (1)               | 5,354                         | 3,027                           | 0                 | 3,027                         |
| Corporate Support          | 50,397                          | (6,970)           | 43,427                        | 51,106                          | (6,735)           | 44,371                        |
| UK Statistics Authority    | 4,191                           | (207)             | 3,984                         | 3,974                           | (6)               | 3,968                         |
|                            | 186,045                         | (24,961)          | 161,084                       | 313,261                         | (28,697)          | 284,564                       |

### Reconciliation between segment information and net operating cost in the statement of comprehensive net expenditure

|   | Note | 2012/13<br>Gross<br>expenditure | 2012/13<br>Income | 2012/13<br>Net<br>expenditure | 2011/12<br>Gross<br>expenditure | 2011/12<br>Income | 2011/12<br>Net<br>expenditure |
|---|------|---------------------------------|-------------------|-------------------------------|---------------------------------|-------------------|-------------------------------|
|   |      | £'000                           | £'000             | £'000                         | £'000                           | £'000             | £'000                         |
| Total reported by segment                         |      | 186,045                         | (24,961)          | 161,084                       | 313,261                         | (28,697)          | 284,564                       |
| Reconciling items                                 |      |                                 |                   |                               |                                 |                   |                               |
| VAT assessment                                    |      | 0                               | 0                 | 0                             | 5,621                           | 0                 | 5,621                         |
| Depreciation                                      | 6    | 15,243                          | 0                 | 15,243                        | 14,721                          | 0                 | 14,721                        |
| Provisions created in year                        | 15   | 783                             | 0                 | 783                           | 460                             | 0                 | 460                           |
| Provisions not required in year                   | 15   | (1,296)                         | 0                 | (1,296)                       | (2,639)                         | 0                 | (2,639)                       |
| Bad debt write off                                | 6    | 159                             | 0                 | 159                           | 0                               | 0                 | 0                             |
| Unwinding discount on provisions                  | 6    | 1,582                           | 0                 | 1,582                         | 433                             | 0                 | 433                           |
| Downward revaluations of fixed assets             | 6    | 0                               | 0                 | 0                             | 1,017                           | 0                 | 1,017                         |
| Performance related pay year end accrual          |      | 786                             | 0                 | 786                           | 741                             | 0                 | 741                           |
| Loss on disposal of equipment                     | 6    | 0                               | 0                 | 0                             | 657                             | 0                 | 657                           |
| <b>Statement of Comprehensive Net Expenditure</b> |      | 203,302                         | (24,961)          | 178,341                       | 334,272                         | (28,697)          | 305,575                       |

### 3.1 ANALYSIS OF NET RESOURCE BY SECTION

|  |                                  |          | Programme<br>Outturn | 2012/13<br>Estimate |   | 2011/12               |
|--|----------------------------------|----------|----------------------|---------------------|---|-----------------------|
|  | Gross<br>Resource<br>Expenditure | Income   | Net Total            | Net Total           | Net Total<br>compared<br>with<br>Estimate | Prior-year<br>outturn |
|  | £'000                            | £'000    | £'000                | £'000               | £'000                                     | £'000                 |
| Spending in Departmental Expenditure Limit |                                  |          |                      |                     |   |                       |
| Voted                                      |                                  |          |                      |                     |   |                       |
| A. Programme costs                         | 206,070                          | (24,961) | 181,109              | 184,139             | 3,030                                     | 311,853               |
| Annually Managed Expenditure               |                                  |          |                      |                     |   |                       |
| Voted                                      |                                  |          |                      |                     |   |                       |
| B. Provisions                              | 1,069                            | 0        | 1,069                | 18,998              | 17,929                                    | (448)                 |
| C. Utilised Provisions                     | (3,837)                          | 0        | (3,837)              | (3,837)             | 0   | (5,830)               |
| Resource Outturn                           | 203,302                          | (24,961) | 178,341              | 199,300             | 20,959                                    | 305,575               |

#### Note

The programme costs within the annually managed expenditure reflect the utilisation of provisions

### 3.2 ANALYSIS OF NET CAPITAL OUTTURN BY SECTION

|  |                                 |        | Programme<br>Outturn | 2012/13<br>Estimate |   | 2011/12               |
|--|---------------------------------|--------|----------------------|---------------------|---|-----------------------|
|  | Gross<br>Capital<br>Expenditure | Income | Net Total            | Net Total           | Net Total<br>compared<br>with<br>Estimate | Prior-year<br>outturn |
|  | £'000                           | £'000  | £'000                | £'000               | £'000                                     | £'000                 |
| Spending in Departmental Expenditure Limit |                                 |        |                      |                     |   |                       |
| Voted                                      |                                 |        |                      |                     |   |                       |
| A. Programme Expenditure                   | 19,414                          | 0      | 19,414               | 20,500              | 1,086                                     | 19,853                |
| Capital Outturn                            | 19,414                          | 0      | 19,414               | 20,500              | 1,086                                     | 19,853                |

## 4. RECONCILIATION OF NET RESOURCE OUTTURN TO NET CASH REQUIREMENT

|   | Note     | Estimate | Outturn  | Net total<br>Outturn<br>compared<br>with<br>estimate:<br>saving /<br>(excess) | 2011/12<br>Outturn |
|---|----------|----------|----------|---|--------------------|
|   |          | £'000    | £'000    | £'000   | £'000              |
| <b>Resource Outturn</b>   | 3        | 199,300  | 178,341  | 20,959  | 305,575            |
| <b>Capital Outturn</b>  | 3        | 20,500   | 19,414   | 1,086   | 19,853             |
| <b>Accruals to cash adjustments</b>                                 |          |          |          |   |                    |
| Depreciation and amortisation                                       | 6        | (19,320) | (15,243) | (4,077)   | (14,721)           |
| Adjustments to provisions   | 6        | (16,678) | 513      | (17,191)  | 1,513              |
| Other non-cash items  | 6        | 0        | (7,118)  | 7,118   | (1,526)            |
| Other adjustments   | 6, 8 & 9 | 0        | 12       | (12)  | (21)               |
| <b>Adjustments to reflect movements in working balances</b>         |          |          |          |   |                    |
| Decrease in receivables   | 12       | 0        | (1,022)  | 1,022   | (11,700)           |
| Decrease in trade and other payables                                | 14       | 10,000   | 7,040    | 2,960   | (2,174)            |
| Other movements in working capital not reflected in operating costs | 13       | 0        | (1,741)  | 1,741   | 2,998              |
| Utilisation of provisions   | 15       | 3,837    | 3,837    | 0   | 5,830              |
| <b>Net cash requirement</b>   |          | 197,639  | 184,033  | 13,606  | 305,627            |

## 5. STAFF NUMBERS AND RELATED COSTS

### 5.1 STAFF COSTS COMPRISE:

|   | 2012/13        |                            |               | 2011/12        |
|---|----------------|----------------------------|---------------|----------------|
|   | Total          | Permanently employed staff | Others        | Total          |
|   | £'000          | £'000                      | £'000         | £'000          |
| Statistical Services Staff Costs                  | 92,937         | 81,321                     | 11,616        | 101,328        |
| Census Field Staff                                | 0              | 0                          | 0             | 47,966         |
| Social security costs                             | 5,845          | 5,845                      | 0             | 6,245          |
| Census Field Staff                                | 0              | 0                          | 0             | 3,091          |
| Other pension costs                               | 14,130         | 14,130                     | 0             | 14,767         |
| Census Field Staff                                | 0              | 0                          | 0             | 98             |
| <b>Total</b>                                      | <b>112,912</b> | <b>101,296</b>             | <b>11,616</b> | <b>173,495</b> |
| Less recoveries in respect of outward secondments | (28)           | (28)                       | 0             | (176)          |
| <b>Total net costs</b>                            | <b>112,884</b> | <b>101,268</b>             | <b>11,616</b> | <b>173,319</b> |

The average number of full-time equivalent persons employed during the year was as follows.

### 5.2 STAFF NUMBERS

|                      | 2012/13   |                          |            | 2011/12          |
|----------------------|-----------|--------------------------|------------|------------------|
|                      | Total FTE | Permanently employed FTE | Others FTE | Number Total FTE |
| Objective            |           |                          |            |                  |
| Statistical Services | 3,007     | 2,867                    | 140        | 3,229            |
| Census Field Staff   | 0         | 0                        | 0          | 23,742           |

#### Note

The Statistical Services staff numbers are calculated using the average number of staff on the payroll each month.



## 5.3 CAPITALISED STAFF COSTS

|  | 2012/13      |           | 2011/12      |           |
|--|--------------|-----------|--------------|-----------|
|  | Cost         | FTEs      | Cost         | FTEs      |
|  | £'000        |           | £'000        |           |
| Web Data Access                              | 1,023        | 6         | 616          | 17        |
| Web Development Programme                    | 0            | 0         | 170          | 7         |
| Labour Force Survey                          | 0            | 0         | 50           | 2         |
| Consumer and Retail Price Indices            | 291          | 7         | 158          | 7         |
| Central ONS Repository for Data              | 126          | 2         | 33           | 1         |
| Life Events                                  | 208          | 4         | 0            | 0         |
| European System of Accounts                  | 121          | 3         | 0            | 0         |
| Social Survey Data Collection Transformation | 247          | 5         | 0            | 0         |
| Electronic Data Collection                   | 241          | 2         | 0            | 0         |
| <b>Total</b>                                 | <b>2,257</b> | <b>29</b> | <b>1,027</b> | <b>34</b> |

### Notes

In addition to the £112,912,000 in note 5.1, £2,257,000 (2011/12 £1,027,000) of salary costs are categorised as capital expenditure and are not included in the Operating Cost Statement. An analysis by capital project is provided in note 5.3.

Recoveries of £28,000 (2011/12 £176,000) in note 5.1 is in respect of outward secondments are incurred as administration income shown in note 7.

### Pensions

The Principal Civil Service Pension Schemes (PCSPS), is an unfunded multi-employer defined benefit schemes, but the Authority is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out on 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2012/13, employers' contributions of £14,130,000 were payable to the PCSPS (2011/12 £14,767,000) at one of four rates in the range of 16.7 to 24.3 per cent in the range of 16.7 to 24.3 per cent (2011/12 16.7 to 24.3 per cent) of pensionable pay, based on salary bands.

The scheme's Actuary reviews contributions every four years following a full scheme valuation.

The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt for a partnership pension account, a stakeholder pension with an employer contribution.

Employers' contributions of £197,000 (2011/12 £311,000) were paid to one or more of a panel of three appointed stakeholder pension providers.

Employers contributions are age-related and range from 3 to 12.5 per cent (2011/12 3 to 12.5 per cent) of pensionable pay.

Employers also match employee contributions up to 3 per cent of pensionable pay.

In addition, employers contributions of £13,500 representing 0.8 per cent; (2011/12 £16,000 0.8 per cent) of pensionable pay were payable to PCSPS to cover the cost of future provision of lump sum benefits to PCSPS this was also to cover the cost of future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £17,300 (2011/12 £21,000).

Contributions prepaid for both 2012/13 and 2011/12 were nil.

6 members of staff (2011/12 7 members of staff) retired early on ill-health grounds. These costs are centrally funded by the Civil Service Vote managed by My Civil Service Pension.

There were no additional accrued pension liabilities in either 2012/13 or 2011/12.

## 5.4 REPORTING OF CIVIL SERVICE AND OTHER COMPENSATION SCHEMES – EXIT PACKAGES

| Exit package cost band                             | Total number of compulsory redundancies agreed within the year |         | Total number of other departures agreed within the year |         | Total value of exit packages agreed within the year by cost band |       |
|--|--|---------|---|---------|--|-------|
|  | 2012/13  | 2011/12 | 2012/13   | 2011/12 | £'000  | £'000 |
| <£10,000   | 5  | 4       | 10  | 0       | 77   | 12    |
| £10,000 – £25,000                                  | 0  | 3       | 6   | 0       | 106  | 46    |
| £25,000 – £50,000                                  | 0  | 4       | 0   | 1       | 0  | 202   |
| £50,000 – £100,000                                 | 1  | 2       | 2   | 3       | 237  | 322   |
| £100,000 – £150,000                                | 0  | 7       | 0   | 1       | 0  | 1,038 |
| £150,000 – £200,000                                | 0  | 0       | 0   | 2       | 0  | 357   |
| <£200,000  | 0  | 0       | 0   | 0       | 0  | 0     |
| Total number of exit packages by type (total cost) | 6  | 20      | 18  | 7       | 420  | 1,977 |

### Notes

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure.

Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme.

Ill-health retirement costs are met by the pension scheme and are not included in the table.

## 6. PROGRAMME COSTS

|                                       | 2012/13 | 2011/12 |
|---------------------------------------|---------|---------|
|                                       | £'000   | £'000   |
| <i>Rentals under Operating leases</i> |         |         |
| Other operating leases                | 3,294   | 3,979   |
| Hire of plant and machinery           | 48      | 77      |
|                                       | 3,342   | 4,056   |
| <i>Non-cash items</i>                 |         |         |
| Depreciation                          | 15,243  | 14,721  |
| Impairment of fixed assets            | 5,298   | 1,017   |
| Unwinding of discount on provisions   | 1,582   | 433     |
| Eurostat income write off**           | 159     | 0       |
| External audit fee *                  | 79      | 76      |
| Loss on disposal of equipment         | 0       | 657     |
| Net release of provisions             | (513)   | (2,170) |
|                                       | 21,849  | 14,734  |
| Information technology                | 24,349  | 24,710  |
| Accommodation                         | 15,724  | 15,194  |
| Payments for carrying out surveys     | 8,655   | 4,812   |
| Travel and subsistence                | 5,493   | 5,926   |
| Other expenditure                     | 4,056   | 3,958   |
| Telecommunications                    | 1,450   | 2,026   |
| External training                     | 1,368   | 1,226   |
| Census Services                       | 1,034   | 72,160  |
| Postage                               | 796     | 782     |
| Consultancy                           | 773     | 681     |
| Miscellaneous fees                    | 670     | 758     |
| Stationery                            | 568     | 635     |
| Hospitality                           | 136     | 117     |
| Exchange rate losses                  | 89      | 25      |
| Ex-gratia payments                    | 39      | 82      |
| VAT Assessment                        | 0       | 5,134   |
| Census Field Staff Travel             | 0       | 3,761   |
|                                       | 90,390  | 160,777 |

### Note

\* There were no non-audit fees incurred in either 2012/13 or 2011/12

\*\*The Authority has been required to write off grant funding during the year due to non-compliance with EU requirements.

## 7. INCOME

|                      | 2012/13       | 2011/12       |
|----------------------|---------------|---------------|
|                      | £'000         | £'000         |
| Operational income   | 6,918         | 6,742         |
| Statistical services | 16,890        | 20,910        |
| EU Income            | 1,153         | 1,045         |
|                      | <u>24,961</u> | <u>28,697</u> |

An analysis of income from services provided to external and public sector customers is as follows.

|                      | 2012/13      |               |               | 2011/12      |               |               |
|----------------------|--------------|---------------|---------------|--------------|---------------|---------------|
|                      | External     | Public Sector | Total         | External     | Public Sector | Total         |
|                      | £'000        | £'000         | £'000         | £'000        | £'000         | £'000         |
| Operational income   | 307          | 6,611         | 6,918         | 239          | 6,503         | 6,742         |
| Statistical services | 1,057        | 15,833        | 16,890        | 580          | 20,330        | 20,910        |
| EU Income            | 1,153        | 0             | 1,153         | 1,045        | 0             | 1,045         |
|                      | <u>2,517</u> | <u>22,444</u> | <u>24,961</u> | <u>1,864</u> | <u>26,833</u> | <u>28,697</u> |

## 8. PROPERTY, PLANT AND EQUIPMENT

|  | Land         | Buildings     | Computers     | Office Machinery | Furniture and Fittings | Building Refurbishments Under Construction | Total         |
|--|--------------|---------------|---------------|------------------|------------------------|--|---------------|
|  | £'000        | £'000         | £'000         | £'000            | £'000                  | £'000                                      | £'000         |
| <b>Cost or valuation</b>                 |              |               |               |                  |                        |  |               |
| At April 2011                            | 10,362       | 24,282        | 20,398        | 2,694            | 10,631                 | 1,378                                      | 69,745        |
| Additions                                | 0            | 0             | 3,805         | 78               | 143                    | 2,202                                      | 6,228         |
| Transfers from Assets under construction | 0            | 1,988         | 0             | 0                | 0                      | (1,988)                                    | 0             |
| Disposals                                | 0            | (1,512)       | (1,137)       | (6)              | 0                      | 0  | (2,655)       |
| Revaluations                             | (480)        | (2,617)       | (30)          | 10               | (97)                   | 0  | (3,214)       |
| Transfer out of group                    | 0            | 0             | (278)         | 0                | 0                      | 0  | (278)         |
| <b>At 31 March 2012</b>                  | <b>9,882</b> | <b>22,141</b> | <b>22,758</b> | <b>2,776</b>     | <b>10,677</b>          | <b>1,592</b>                               | <b>69,826</b> |
| <b>Depreciation</b>                      |              |               |               |                  |                        |  |               |
| At April 2011                            | 0            | 1,756         | 13,323        | 2,485            | 6,459                  | 0  | 24,023        |
| Charged in year                          | 0            | 1,455         | 3,612         | 150              | 1,032                  | 0  | 6,249         |
| Disposals                                | 0            | (1,272)       | (662)         | (6)              | 0                      | 0  | (1,940)       |
| Revaluations                             | 0            | (1,251)       | 0             | 7                | (68)                   | 0  | (1,312)       |
| Transfer out of group                    | 0            | 0             | (210)         | 0                | 0                      | 0  | (210)         |
| <b>At 31 March 2012</b>                  | <b>0</b>     | <b>688</b>    | <b>16,063</b> | <b>2,636</b>     | <b>7,423</b>           | <b>0</b>                                   | <b>26,810</b> |
| <b>Cost or valuation</b>                 |              |               |               |                  |                        |  |               |
| At April 2012                            | 9,882        | 22,141        | 22,758        | 2,776            | 10,677                 | 1,592                                      | 69,826        |
| Additions                                | 0            | 0             | 2,934         | 1,415            | 10                     | 1,513                                      | 5,872         |
| Transfers from Assets under construction | 0            | 2,474         | 0             | 0                | 0                      | (2,474)                                    | 0             |
| Disposals                                | 0            | 0             | (276)         | 0                | 0                      | 0  | (276)         |
| March 2012 accrual adjustment            | 0            | 0             | (100)         | 0                | 0                      | 0  | (100)         |
| Impairment                               | 0            | (632)         | 0             | 0                | 0                      | 0  | (632)         |
| Revaluations                             | 0            | (655)         | 2,129         | 24               | 155                    | 0  | 1,653         |
| Transfer from Intangibles                | 0            | 0             | 9             | 0                | 0                      | 0  | 9             |
| Transfer out of group                    | 0            | 0             | (27)          | 0                | 0                      | 0  | (27)          |
| <b>At 31 March 2013</b>                  | <b>9,882</b> | <b>23,328</b> | <b>27,427</b> | <b>4,215</b>     | <b>10,842</b>          | <b>631</b>                                 | <b>76,325</b> |
| <b>Depreciation</b>                      |              |               |               |                  |                        |  |               |
| At April 2012                            | 0            | 688           | 16,063        | 2,636            | 7,423                  | 0  | 26,810        |
| Charged in year                          | 0            | 1,457         | 4,378         | 323              | 972                    | 0  | 7,130         |
| Disposals                                | 0            | 0             | (276)         | 0                | 0                      | 0  | (276)         |
| Impairment                               | 0            | (706)         | 0             | 0                | 0                      | 0  | (706)         |
| Revaluations                             | 0            | (567)         | 1,298         | 6                | 105                    | 0  | 842           |
| Transfer out of group                    | 0            | 0             | (3)           | 0                | 0                      | 0  | (3)           |
| <b>At 31 March 2013</b>                  | <b>0</b>     | <b>872</b>    | <b>21,460</b> | <b>2,965</b>     | <b>8,500</b>           | <b>0</b>                                   | <b>33,797</b> |
| <b>Net book value at 31 March 2012</b>   | <b>9,882</b> | <b>21,453</b> | <b>6,695</b>  | <b>140</b>       | <b>3,254</b>           | <b>1,592</b>                               | <b>43,016</b> |
| <b>Net book value at 31 March 2013</b>   | <b>9,882</b> | <b>22,456</b> | <b>5,967</b>  | <b>1,250</b>     | <b>2,342</b>           | <b>631</b>                                 | <b>42,528</b> |
| Asset financing:                         |              |               |               |                  |                        |  |               |
| Owned                                    | 9,882        | 22,456        | 5,967         | 1,250            | 2,342                  | 631  | 42,528        |
| <b>Net book value at 31 March 2013</b>   | <b>9,882</b> | <b>22,456</b> | <b>5,967</b>  | <b>1,250</b>     | <b>2,342</b>           | <b>631</b>                                 | <b>42,528</b> |

### Note

Included in the £ 5,872,000 of additions are £1,448,000 of capital creditors. The capital creditors brought forward from 2011/12 amounted to £2,032,000.

The properties at Titchfield, Christchurch and Newport were professionally valued at 31 December 2012 by the District Valuer Service (DVS), the commercial arm of the Valuation Office Agency who are qualified to undertake these valuations. The valuations were prepared in accordance with the appropriate sections of the Practice Statements and the United Kingdom Practice Statements contained within the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards.

The Authority calculates and publishes indices which are used to value non property assets on a quarterly basis.

## 9. INTANGIBLE FIXED ASSETS

### In-house developed software applications

|  | NeSS projects | CORD (Odyssey) projects | I-Dissemination project | The Social Survey Repository | Web Development Project | CPI/RPI      | Social Survey Data Collection Transformation | Software Licences | Total         |
|--|---------------|-------------------------|-------------------------|------------------------------|-------------------------|--------------|--|-------------------|---------------|
|  | £'000         | £'000                   | £'000                   | £'000                        | £'000                   | £'000        | £'000  | £'000             | £'000         |
| <b>Valuation</b>   |               |                         |                         |                              |                         |              |  |                   |               |
| At April 2011  | 15,621        | 23,255                  | 4,922                   | 2,524                        | 0                       | 0            | 0  | 10,162            | 56,484        |
| Additions  | 0             | 0                       | 0                       | 0                            | 0                       | 0            | 0  | 5,371             | 5,371         |
| Transfer into group                                      | 0             | 0                       | 0                       | 0                            | 0                       | 0            | 0  | 278               | 278           |
| Transfers from assets under construction                 | 0             | 0                       | 0                       | 421                          | 5,647                   | 0            | 0  | 0                 | 6,068         |
| Revaluations   | 333           | 496                     | 105                     | 59                           | 72                      | 0            | 0  | 0                 | 1,065         |
| <b>At 31 March 2012</b>                                  | <b>15,954</b> | <b>23,751</b>           | <b>5,027</b>            | <b>3,004</b>                 | <b>5,719</b>            | <b>0</b>     | <b>0</b>                                     | <b>15,811</b>     | <b>69,266</b> |
| <b>Amortisation</b>                                      |               |                         |                         |                              |                         |              |  |                   |               |
| At April 2011  | 9,247         | 11,728                  | 1,225                   | 70                           | 0                       | 0            | 0  | 7,731             | 30,001        |
| Charged in year  | 1,883         | 3,034                   | 564                     | 317                          | 474                     | 0            | 0  | 2,199             | 8,471         |
| Transfer into group                                      | 0             | 0                       | 0                       | 0                            | 0                       | 0            | 0  | 211               | 211           |
| Revaluations   | 213           | 277                     | 31                      | 4                            | 2                       | 0            | 0  | 0                 | 527           |
| <b>At 31 March 2012</b>                                  | <b>11,343</b> | <b>15,039</b>           | <b>1,820</b>            | <b>391</b>                   | <b>476</b>              | <b>0</b>     | <b>0</b>                                     | <b>10,141</b>     | <b>39,210</b> |
| <b>Valuation</b>   |               |                         |                         |                              |                         |              |  |                   |               |
| At April 2012  | 15,954        | 23,751                  | 5,027                   | 3,004                        | 5,719                   | 0            | 0  | 15,811            | 69,266        |
| Additions  | 0             | 0                       | 0                       | 0                            | 0                       | 0            | 0  | 2,255             | 2,255         |
| Transfers from assets under construction                 | 0             | 679                     | 0                       | 0                            | 0                       | 5,412        | 1,445  | 0                 | 7,536         |
| Transfer between projects                                | 0             | (11,243)                | 0                       | 11,243                       | 0                       | 0            | 0  | 0                 | 0             |
| Transfer into group                                      | 0             | 0                       | 0                       | 0                            | 0                       | 0            | 0  | 27                | 27            |
| Transfer out of group                                    | 0             | 0                       | 0                       | 0                            | 0                       | 0            | 0  | (51)              | (51)          |
| March 2012 accrual adjustment                            | 0             | 0                       | 0                       | 0                            | 0                       | 0            | 0  | (47)              | (47)          |
| Impairment   | (2,739)       | (6,066)                 | (2,457)                 | 0                            | 0                       | 0            | 0  | 0                 | (11,262)      |
| Revaluations   | 104           | 50                      | 17                      | 136                          | 54                      | 70           | 0  | 0                 | 431           |
| <b>At 31 March 2013</b>                                  | <b>13,319</b> | <b>7,171</b>            | <b>2,587</b>            | <b>14,383</b>                | <b>5,773</b>            | <b>5,482</b> | <b>1,445</b>                                 | <b>17,995</b>     | <b>68,155</b> |
| <b>Amortisation</b>                                      |               |                         |                         |                              |                         |              |  |                   |               |
| At April 2012  | 11,343        | 15,039                  | 1,820                   | 391                          | 476                     | 0            | 0  | 10,141            | 39,210        |
| Charged in year  | 1,382         | 1,541                   | 534                     | 1,626                        | 625                     | 152          | 80   | 2,173             | 8,113         |
| Transfer between projects                                | 0             | (7,132)                 | 0                       | 7,132                        | 0                       | 0            | 0  | 0                 | 0             |
| Transfer into group                                      | 0             | 0                       | 0                       | 0                            | 0                       | 0            | 0  | 3                 | 3             |
| Impairment   | (1,630)       | (4,551)                 | (1,138)                 | 0                            | 0                       | 0            | 0  | 0                 | (7,319)       |
| Revaluations   | 89            | 31                      | 8                       | 88                           | 10                      | 0            | 0  | 0                 | 226           |
| <b>At 31 March 2013</b>                                  | <b>11,184</b> | <b>4,928</b>            | <b>1,224</b>            | <b>9,237</b>                 | <b>1,111</b>            | <b>152</b>   | <b>80</b>                                    | <b>12,317</b>     | <b>40,233</b> |
| <b>Net book value of in-house software 31 March 2011</b> |               |                         |                         |                              |                         |              |  |                   |               |
|  | 6,374         | 11,527                  | 3,697                   | 2,454                        | 0                       | 0            | 0  | 2,431             | 26,483        |
| <b>Net book value of in-house software 31 March 2012</b> |               |                         |                         |                              |                         |              |  |                   |               |
|  | 4,611         | 8,712                   | 3,207                   | 2,613                        | 5,243                   | 0            | 0  | 5,670             | 30,056        |
| <b>Net book value of in-house software 31 March 2013</b> |               |                         |                         |                              |                         |              |  |                   |               |
|  | 2,135         | 2,243                   | 1,363                   | 5,146                        | 4,662                   | 5,330        | 1,365  | 5,678             | 27,922        |
| <b>Remaining useful economic life</b>                    |               |                         |                         |                              |                         |              |  |                   |               |
|  | 9             | 9                       | 9                       | 9                            | 9                       | 8            | 8  |                   |               |

## Note

The net book value of in-house developed software would be £21,073,000 if historic cost accounting had been applied.

The Authority calculates indices to value in house developed software assets on a quarterly basis. The Authority does not revalue software licences.

Included in the software licences additions of £2,255,000 is £1,195,000 of capital creditors. The amount brought forward from 2011/12 is £3,352,000.

The reclassification of CORD (Odyssey Project) to the Social Survey Repository is the correction of a previous mis-classification.

The Neighbourhood Statistics Service (NeSS) website is an online resource for people working in regeneration and social research, or, for anyone interested in knowing about where they live. It provides information relating to deprivation about local communities, such as crime, drugs, unemployment, community breakdown, and schools with low educational attainment. This supports the development and measurement of integrated and sustainable solutions to local problems.

Central Repository for ONS Data (CORD) is the corporate platform used for processing aggregate level time series data. It is used to compile National Accounts, Workforce Jobs and the Retail Sales Index. The platform incorporates standard statistical tools for processing time series data.

The I-Dissemination project is the Publication Hub which has provided since 2011 a one-stop-shop for statistics users where they can find links to all of the new National Statistics from across Government

The Social Survey Repository replaces the Annual Population Survey/Labour Force Survey reweighting and Scientific Information Retrieval 2002 systems, based in Newport which currently weight, reweight, impute, produce derived variables, attach geographies and store the APS and LFS data. It is built on the CASPA platform (Common Architecture for Statistical Processing and Analysis).

The Web Development Programme delivers a new ONS website, with improved search and navigation. The programme also delivers new internal systems for statistical production areas to release their outputs onto the new website. As well as a new website, the programme will also provide an Application Programme Interface, through which other parties will be able to directly access ONS statistics for use in their own systems.

## 9.1 ASSETS UNDER CONSTRUCTION

|                                 | Web Development Project | The Social Survey Repository | CPI/RPI Project | Central ONS Repository for Data CORD | Social Survey Data Collection Transformation | Web Data Access | Electronic Data Collection | European Systems Accounts 2010 | Life Events | Census Data Output | Total   |
|---------------------------------|-------------------------|------------------------------|-----------------|--------------------------------------|--|-----------------|----------------------------|--------------------------------|-------------|--------------------|---------|
|                                 | £'000                   | £'000                        | £'000           | £'000                                | £'000  | £'000           | £'000                      | £'000                          | £'000       | £'000              | £'000   |
| At April 2011                   | 5,469                   | 262                          | 2,972           | 0                                    | 0  | 0               | 0                          | 0                              | 0           | 0                  | 8,703   |
| In year expenditure             | 871                     | 159                          | 1,851           | 449                                  | 584  | 4,340           | 0                          | 0                              | 0           | 0                  | 8,254   |
| Transfers to fixed assets       | (5,647)                 | (421)                        | 0               | 0                                    | 0  | 0               | 0                          | 0                              | 0           | 0                  | (6,068) |
| At 31 March 2012                | 693                     | 0                            | 4,823           | 449                                  | 584  | 4,340           | 0                          | 0                              | 0           | 0                  | 10,889  |
| At April 2012                   | 693                     | 0                            | 4,823           | 449                                  | 584  | 4,340           | 0                          | 0                              | 0           | 0                  | 10,889  |
| In year expenditure             | 0                       | 0                            | 879             | 257                                  | 1,295  | 5,851           | 743                        | 797                            | 1,465       | 0                  | 11,287  |
| Prior Year Transfer to resource | 0                       | 0                            | 0               | 0                                    | 0  | 0               | 0                          | 0                              | 0           | (1,451)            | (1,451) |
| Transfers to intangibles        | 0                       | 0                            | (5,412)         | (679)                                | (1,445)                                      | 0               | 0                          | 0                              | 0           | 0                  | (7,536) |
| Transfer between projects       | (693)                   | 0                            | 0               | 0                                    | 0  | (758)           | 0                          | 0                              | 0           | 1,451              | 0       |
| Transfer from Intangibles       | 0                       | 0                            | 0               | 0                                    | 0  | 42              | 0                          | 0                              | 0           | 0                  | 42      |
| At 31 March 2013                | 0                       | 0                            | 290             | 27                                   | 434  | 9,475           | 743                        | 797                            | 1,465       | 0                  | 13,231  |

|  | 2012/13 Total | 2011/12 Total |
|--|---------------|---------------|
|  | £'000         | £'000         |
| Net book value of assets under construction at | 13,231        | 10,889        |

### Notes

Included in the additions of £11,287,000 is £1,613,000 of capital creditors. The amount of capital creditors brought forward from 2011/12 is £1,340,000.

Assets under construction are not revalued or depreciated.

The CPI/RPI re-engineering project delivers a new generation of price index systems to produce CPI and RPI statistical outputs, which will improve the efficiency, quality and flexibility of the systems used to produce economic statistics that are central to Government policy making. The new computer application, named Pretium, will deliver a significant reduction in the risk of publication error, as well as increased flexibility, reporting and analysis capability to enable the Authority to better meet user needs. Pretium has been designed as a reusable platform with the ability to produce other price indices in the future.

CORD (Central ONS Repository for Data) is the primary system used to compile the National Accounts including Quarterly National Accounts, Retail Sales Index and Trade (Goods and Services). The CORD platform capability is currently being increased to support the processing requirements to deliver the National Accounts in line with the European System of Accounts 2012 Programme. This will be achieved through progressive improvements in statistical methods, data and system performance.

The Social Survey Data Collection Transformation Project (SDCTP) aims to modernise and replace Labour Force Survey (LFS) data collection systems. The first phase of the project successfully delivered a new system in November 2012 which schedules LFS cases for telephone interview. The second phase is due to deliver in the latter part of 2013 and will modernise the systems that support collection of interview data.

Web Data Access (WDA) will enable the 2011 census results to be disseminated in a way that maximises use in line with government policy and transparency, meeting the requirements of EU legislation.



The Life Events redevelopment project is replacing a legacy mainframe system for processing births, deaths and other events with a new system built on the strategic corporate IT platform. In addition to delivering a strategic solution, the system will be more efficient to operate and maintain, and at reduced cost.

The European System of Accounts 2010 (ESA 10) will enable the Authority to ensure that key statistical outputs, such as National Accounts, comply with revised international standards enforced by the EU.

The Electronic Data Collection Programme (EDC) aims to develop systems, methods and processes to improve the collection, integration and processing of data about the UK's economy and society. This is about superseding antiquated data collection modes, such as paper based questionnaires, with a range of electronic data collection channels, making further use of the Web and administrative sources.

Census Data Output was a workstream created to support Census processing for a short period of time. Due to the short life of this asset it has been reclassified as resource.

| Non-current assets                              | 2012/13<br>Total | 2011/12<br>Total |
|---|------------------|------------------|
|   | £'000            | £'000            |
| In-house developed software & software licences | 27,922           | 30,056           |
| Assets under construction                       | 13,231           | 10,889           |
| Intangible assets                               | 41,153           | 40,945           |

## 10. IMPAIRMENTS

### Intangible Assets and Assets Under Construction

| Notes | NeSS projects   | Odyssey projects | I-Dissemination project | Census Data Output | Total |         |
|-------|---|------------------|-------------------------|--------------------|-------|---------|
|       | £'000   | £'000            | £'000                   | £'000              | £'000 |         |
| 9     | Cost  | 2,739            | 6,066                   | 2,457              | 0     | 11,262  |
| 9     | Cumulative amortisation                                       | (1,630)          | (4,551)                 | (1,138)            | 0     | (7,319) |
|       | Released revaluation surplus                                  | (31)             | (43)                    | (22)               | 0     | (96)    |
| 9.1   | Assets under construction prior year reclassified as resource | 0                | 0                       | 0                  | 1,451 | 1,451   |
| 6     | Total cost of impairment                                      | 1,078            | 1,472                   | 1,297              | 1,451 | 5,298   |

#### Note

The Authority continues to develop and improve the functionality of its in-house generated software to support its strategic aims and provide more accessible and engaging statistical content to our customers. As part of this process a review of its existing software has resulted in some functionality within NeSS, Odyssey and I-Dissemination projects being considered obsolete.

The Census data output project was initially classified as capital. As a result of the short useful economic life the cost of this work has been reclassified as resource.

## 11. FINANCIAL INSTRUMENTS

As the cash requirements of the Authority are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Authority is therefore exposed to little credit, liquidity or market risk.

The Authority revalues outstanding Euro transactions at the year end.

### Currency risk

|   | 2012/13<br>Non-interest<br>bearing financial<br>assets<br>£'000 | 2012/13<br>Non-interest<br>bearing financial<br>liabilities<br>£'000 | 2011/12<br>Non-interest<br>bearing financial<br>assets<br>£'000 | 2011/12<br>Non-interest<br>bearing financial<br>liabilities<br>£'000 |
|---|---|--|---|--|
| Gross financial assets/liabilities – Euro | 707   | (397)  | 537   | (335)  |

## 12. TRADE RECEIVABLES AND OTHER ASSETS

|  | 2012/13      | 2011/12      |
|--|--------------|--------------|
|  | £'000        | £'000        |
| <b>Amounts falling due within one year:</b>      |              |              |
| Trade receivables                                | 2,758        | 5,040        |
| Deposit and advances                             | 35           | 73           |
| Other receivables                                | 210          | 1,263        |
| Prepayments and accrued income                   | 5,189        | 2,825        |
|  | <u>8,192</u> | <u>9,201</u> |
| <b>Amounts falling after more than one year:</b> |              |              |
| Deposits and advances                            | 99           | 112          |
|  | <u>8,291</u> | <u>9,313</u> |

### 12.1 INTRA-GOVERNMENT BALANCES

|   | Amounts falling due within one year |              | Amounts falling due after more than one year |            |
|---|-------------------------------------|--------------|--|------------|
|   | 2012/13                             | 2011/12      | 2012/13                                      | 2011/12    |
|   | £'000                               | £'000        | £'000  | £'000      |
| Balances with other central government bodies       | 2,147                               | 6,866        | 0  | 0          |
| Balances with local authorities                     | 974                                 | 32           | 0  | 0          |
| Balances with NHS Trusts                            | 0                                   | 4            | 0  | 0          |
| Balances with public corporations and trading funds | 0                                   | 0            | 0  | 0          |
| Subtotal: intra-government balances                 | <u>3,121</u>                        | <u>6,902</u> | <u>0</u>                                     | <u>0</u>   |
| Balances with bodies external to government         | 4,405                               | 1,870        | 0  | 0          |
| Balances with staff                                 | 666                                 | 429          | 99   | 112        |
| Total debtors at 31 March                           | <u>8,192</u>                        | <u>9,201</u> | <u>99</u>                                    | <u>112</u> |

## 12.2 TOTAL TRADE RECEIVABLES OUTSTANDING

|                       | 2012/13 | 2011/12 |
|-----------------------|---------|---------|
|                       | £'000   | £'000   |
| 1-30 days             | 2,595   | 4,931   |
| 31-60 days            | 29      | 49      |
| 61-90 days            | 1       | 46      |
| 91-180 days           | 52      | 14      |
|                       | <hr/>   | <hr/>   |
|                       | 2,677   | 5,040   |
| greater than 181 days | 81      | 0       |
|                       | <hr/>   | <hr/>   |
|                       | 2,758   | 5,040   |
|                       | <hr/>   | <hr/>   |

| Statement of Financial Position                            | 2012/13 | 2011/12 |
|--|---------|---------|
|  | £'000   | £'000   |
| Deposits and advances falling due after more than one year | 99      | 112     |
| Trade and other receivables                                | 2,758   | 5,040   |
| Other current assets                                       | 5,434   | 4,161   |
|  | <hr/>   | <hr/>   |
|  | 8,291   | 9,313   |
|  | <hr/>   | <hr/>   |

## 13. CASH AND CASH EQUIVALENTS

|   | 2012/13      | 2011/12      |
|---|--------------|--------------|
|   | £'000        | £'000        |
| Balance at 1 April                              | 5,348        | 2,350        |
| Net change in cash and cash equivalent balances | (1,741)      | 2,998        |
| <b>Balance at 31 March</b>                      | <b>3,607</b> | <b>5,348</b> |

The following balances at 31 March were held at:

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Government Banking Service accounts | 3,540        | 5,237        |
| Commercial banks and cash in hand   | 66           | 1            |
| Cash equivalents                    | 1            | 110          |
| <b>Balance at 31 March</b>          | <b>3,607</b> | <b>5,348</b> |

## 14. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

|  | 2012/13       | 2011/12       |
|--|---------------|---------------|
|  | £'000         | £'000         |
| <b>Amounts falling due within one year:</b>                                |               |               |
| Other taxation and social security   | 2,024         | 2,309         |
| Trade payables   | 3,786         | 6,317         |
| Other payables   | 95            | 518           |
| Accruals and deferred income   | 22,548        | 24,608        |
| Amounts issued from Consolidated Fund for supply but not spent at year end | 3,607         | 5,348         |
|  | <u>32,060</u> | <u>39,100</u> |

### Note

2012/13 figures reflect a net yearly movement of £249,000 of accrued holiday and flexi pay.

The Authority calculates the holiday and flexi accrual at the year end with the figure being reflected in the category of accruals and deferred income.

### 14.1 INTRA-GOVERNMENT BALANCES

|   | Amounts falling due within one year |               |
|---|-------------------------------------|---------------|
|   | 2012/13                             | 2011/12       |
|   | £'000                               | £'000         |
| Balances with other central government bodies                 | 7,944                               | 14,821        |
| Balances with local authorities                               | 81                                  | 8             |
| Balances with Eurostat  | 373                                 | 671           |
|   | <u>8,398</u>                        | <u>15,500</u> |
| Balances with bodies external to government                   | 18,695                              | 19,019        |
| Balances with staff (holiday pay and performance related pay) | 4,967                               | 4,581         |
| Total creditors at 31 March                                   | <u>32,060</u>                       | <u>39,100</u> |

## 15. PROVISIONS FOR LIABILITIES AND CHARGES

|                                 | Early<br>Departure<br>Costs | Onerous<br>Contracts | Drummond<br>Gate<br>Dilapidations | Myddelton<br>Street<br>Dilapidations | Eurostat | Total   |
|---------------------------------|-----------------------------|----------------------|-----------------------------------|--------------------------------------|----------|---------|
|                                 | £'000                       | £'000                | £'000                             | £'000                                | £'000    | £'000   |
| Balance at 1 April 2011         | 8,515                       | 8,139                | 6,407                             | 808                                  | 0        | 23,869  |
| Provided in year                | 460                         | 0                    | 0                                 | 0                                    | 0        | 460     |
| Provisions not required         | 0                           | (2,422)              | (217)                             | 0                                    | 0        | (2,639) |
| Provisions utilised in the year | (3,022)                     | (2,000)              | 0                                 | (808)                                | 0        | (5,830) |
| Unwinding of discount           | 470                         | 374                  | 894                               | 0                                    | 0        | 1,738   |
| Rewinding of discount           | (300)                       | (251)                | (754)                             | 0                                    | 0        | (1,305) |
| Balance at 31 March 2012        | 6,123                       | 3,840                | 6,330                             | 0                                    | 0        | 16,293  |
| Balance at 1 April 2012         | 6,123                       | 3,840                | 6,330                             | 0                                    | 0        | 16,293  |
| Provided in year                | 167                         | 278                  | 0                                 | 0                                    | 338      | 783     |
| Provisions not required         | (27)                        | (591)                | (678)                             | 0                                    | 0        | (1,296) |
| Provisions utilised in the year | (2,013)                     | (1,824)              | 0                                 | 0                                    | 0        | (3,837) |
| Unwinding of discount           | 300                         | 91                   | 753                               | 0                                    | 0        | 1,144   |
| Rewinding of discount           | (157)                       | 45                   | 550                               | 0                                    | 0        | 438     |
| Balance at 31 March 2013        | 4,393                       | 1,839                | 6,955                             | 0                                    | 338      | 13,525  |

### Statement of Financial Position

|   | 2012/13 | 2011/12 |
|---|---------|---------|
|   | £'000   | £'000   |
| Current early retirement provision 2012/13              | 1,449   | 2,098   |
| Early retirement provision due after more than one year | 2,944   | 4,027   |
| Other provisions  | 9,132   | 10,168  |
|   | 13,525  | 16,293  |



## Analysis of expected timing of discounted flows

|  | Early Departure Costs | Onerous Contracts | Drummond Gate Dilapidations | Eurostat | Total  |
|--|-----------------------|-------------------|-----------------------------|----------|--------|
|  | £'000                 | £'000             | £'000                       | £'000    | £'000  |
| In the remainder of the Spending Review period to 2015 | 2,619                 | 954               | 0                           | 338      | 3,911  |
| Between 2016 and 2019                                  | 1,640                 | 885               | 6,955                       | 0        | 9,480  |
| Between 2020 and 2025                                  | 134                   | 0                 | 0                           | 0        | 134    |
| Balance at 31 March 2013                               | 4,393                 | 1,839             | 6,955                       | 338      | 13,525 |

### Notes

#### Early Departure Costs

The Authority meets the additional costs of benefits, beyond the normal PCSPS benefits, in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and the normal retirement date. The Authority provides for this in full when the early retirement programme becomes binding on the Authority by establishing a provision for the estimated payments discounted by the Treasury pensions discount rate of 2.35% from 31 March 2013.

#### Onerous Contracts

Drummond Gate has been actively marketed and the building is currently fully occupied. As part of the agreements some tenants were allowed a rent free period which terminates in 2017/18. Therefore the lease income does not fully cover the total cost of the lease and running costs and a provision has been made to cover the onerous elements of the lease. The provision has been discounted by the Treasury discount rate of -1.80%.

Following a settlement and utilisation of the provision the Authority vacated Lancaster Court on 15 March 2013

#### Drummond Gate Dilapidations

The lease expires in January 2018 and it is anticipated that this will not be renewed. The UK Statistics Authority expects to pay a sum in respect of dilapidations under the terms of the lease. The provision has been discounted by the Treasury discount rate of -1.80%

#### Eurostat Costs

The Authority is in discussion with Eurostat regarding a number of funding arrangements and is working closely with European representatives to resolve this matter. If an agreement cannot be reached £338,000 has been provided for cash received on account to be repaid.

## 16. CAPITAL COMMITMENTS

|   | 2012/13 | 2011/12 |
|---|---------|---------|
|   | £'000   | £'000   |
| Contracted building refurbishments commitments  | 0       | 958     |
| Contracted IT commitments   | 418     | 1,230   |
| Total commitments as at 31 March not otherwise included in these financial statements | 418     | 2,188   |

## 17. COMMITMENTS UNDER LEASES

### Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods

|   | 2012/13       | 2011/12       |
|---|---------------|---------------|
|   | £'000         | £'000         |
| Buildings:  |               |               |
| Not later than one year                           | 4,418         | 5,984         |
| Later than one year and not later than five years | 15,261        | 15,325        |
| Later than five years                             | 0             | 5             |
|   | <u>19,679</u> | <u>21,314</u> |
| Other:  |               |               |
| Not later than one year                           | 71            | 83            |
| Later than one year and not later than five years | 11            | 26            |
|   | <u>82</u>     | <u>109</u>    |

The cost of building leases include sub letting commitments for Drummond Gate and the following income streams are anticipated.

|   | 2012/13       |
|---|---------------|
|   | £'000         |
| Not later than one year                           | 6,627         |
| Later than one year and not later than five years | 25,308        |
| Later than five years                             | 0             |
|   | <u>31,935</u> |

## 18. OTHER FINANCIAL COMMITMENTS

The Authority has entered into non-cancellable contracts (which are not leases or PFI contracts), for Information Management Services and Facilities Management. The payments to which the Authority are committed are as follows:

|   | 2012/13       | 2011/12       |
|---|---------------|---------------|
|   | £'000         | £'000         |
| Not later than one year                           | 18,836        | 16,319        |
| Later than one year and not later than five years | 13,222        | 28,141        |
|   | <u>32,058</u> | <u>44,460</u> |

## **19. CONTINGENT LIABILITIES**

The Authority is seeking a conclusion to the review being undertaken with Eurostat in respect of grant receipts to the value of £1,314,000. The findings of the review to date has resulted in an adjustment of £159,000 (note 6). Dependant on the conclusion of that review, there is a potential risk that other grant payments previously made, to the value of £4,258,000 could also be reviewed.

### **19.1 CONTINGENT ASSETS**

The Authority continues to negotiate with Capita with regards to service credits for the Census Programme. Negotiations have not been finalised and therefore no values have been recorded in these financial statements.

## 20. SPECIAL PAYMENTS AND LOSSES

|                  | 2012/13   | 2011/12   |
|------------------|-----------|-----------|
|                  | £'000     | £'000     |
| Ex-gratia claims | 4         | 5         |
| Special payments | 35        | 77        |
|                  | <u>39</u> | <u>82</u> |

The Authority has paid £39,000 of ex-gratia and special payments to employees in keeping with the Civil Service Management code during 2012/13. All cases were below the individual disclosure threshold of £250,000.

|                         | 2012/13   | 2011/12    |
|-------------------------|-----------|------------|
| Number of Claims/Losses |           |            |
| Ex-gratia claims        | 40        | 51         |
| Special Payments        | 3         | 248        |
|                         | <u>43</u> | <u>299</u> |

### 20.2 OTHER PAYMENTS

The Authority is undertaking a review of all Eurostat funding and as a result of this review, a write off to the value of £159,000 in respect of income previously assumed to be due from Eurostat (see Note 6) has been recorded in these statements.

## 21. RELATED PARTY TRANSACTIONS

The United Kingdom Statistics Authority has had various material transactions with other government departments and other central government bodies (negative value denotes income). Most of these transactions have been with:

- Department for Work and Pensions – aggregate value £(6,251,854)
- Metropolitan Police £4,041,363
- Department for Business, Innovation, and Skills – aggregate value £(1,726,191)
- Department of Health – aggregate value £(1,730,089)
- National Savings and Investments – aggregate value £(1,473,431)
- Scottish Government – aggregate value £(1,130,179)
- UK Intellectual Property Office – aggregated value £(1,165,343)
- Welsh Government – aggregated value £(1,162,802)

No board member, key manager or other related parties have undertaken any material transactions with the Authority during the year.

## 22. EVENTS ARISING AFTER THE REPORTING DATE

None.



## **23. DATE OF AUTHORISATION OF THE ACCOUNTS**

The Accounts were authorised to be issued on 4 July 2013



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